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**DIXON
ECONOMIC DEVELOPMENT
ACTION PLAN**

FINAL REPORT

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DIXON ECONOMIC DEVELOPMENT ACTION PLAN

FINAL REPORT

July 28, 1998

Prepared for
City of Dixon

This Study was Funded by Community Development Block Grant Funds
Grant #96-EDBG-417

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The Economic Development Action Plan addresses a wide range of programs and initiatives including business retention, business recruitment, and economic development. The plan recommends a number of goals for the coming year related to developing a marketing program, providing with information opportunities and establishing a business organization/office in town or near.

I. INTRODUCTION AND SUMMARY

I.1 REPORT PURPOSE AND CONTENTS

This report presents an overall economic development study commissioned by the City of Dixon, with funds obtained from the State CDBG program. The purpose of the study is to develop an action plan to guide the City's economic development efforts over the next several years. The recommended action plan is presented in Chapter 2 and a more detailed marketing plan is provided in Chapter 3. The action plan summarizes the City's short term and long term economic development opportunities, estimates the level of effort needed for an effective business retention/expansion program, recommends a focus for the City's marketing efforts, and provides a comprehensive strategy to tie together the various activities and programs conducted by the City and other economic development organizations in the region.

The first stage of work addressed the existing character of the business community in Dixon and analyzed the local and regional market for certain types of business development (Chapters 4-5).

Chapter 6 includes an analysis of development opportunities along the I-80 corridor, which is a prime economic development focus for the City. This analysis complements the Downtown Revitalization Plan adopted by the City in 1996. An analysis of job development opportunities and benefit for Target Income Group workers is presented in Chapter 7 and a review of possible financing techniques to expand infrastructure and services is included in Chapter 8.

I.2 SUMMARY

The Economic Development Action Plan addresses a wide range of program areas including business attraction, business retention and expansion assistance, infrastructure improvements, business climate and downtown revitalization. The plan recommends a number of goals for the current year related to developing a marketing program, proceeding with infrastructure improvements and establishing a business expansion/retention resource team.

At a recent City of Dixon Business Roundtable, these program elements were presented to a group of more than fifty Dixon business people, developers and brokers. The priorities expressed by this group generally fell into the following order:

1. Infrastructure development
2. Business retention
3. Diversified business attraction
4. Integration of Downtown in the economic development program.
5. Development of a business park.
6. Strengthening of relationships to U.C. Davis.

The following discussion summarizes the supporting conclusions from the technical sections of the report.

For its size, Dixon is developing a remarkably strong economic base. It currently provides enough jobs to support 75% of its labor force, which matches the proportion of jobs to labor force in Solano County overall. While The City has 3.5% of the total jobs in the County, it has 11% of the County's manufacturing and distribution jobs.

The existing business community shows strong signs of growth and expansion. A business survey conducted for this study indicated that 80% of the manufacturing firms in the sample see their industries in a growth trend, and they themselves expect to add jobs in Dixon over the next three years. Retail/services firms expect more moderate growth, with 43% anticipating hiring in the next three years.

Dixon is viewed overwhelmingly as a strong business location. Much of its advantage lies with excellent regional access combined with a friendly small town atmosphere. The availability of building sites and relatively low land prices are other important considerations.

In terms of its market potential along the I-80 corridor, the best short term opportunities lie in continued development of distribution and light manufacturing businesses. Dixon's low land

prices, freeway proximity, and skilled and semi-skilled workforce make it an ideal location for firms needing transportation access and visibility. These favorable market conditions also apply to the highway commercial and visitor serving sectors.

Dixon has applied flexible zoning designations to much of the property along the I-80 corridor, so that it can develop as professional office space as well as light industrial and commercial uses. Dixon offers a number of strong locational advantages for office uses, including proximity to U.C. Davis but with lower development costs than Davis, a well-educated labor force with strong representation among managerial and professional occupations, and an attractive quality of life for middle income and professional families.

In order to be successful in the business park and professional office market, the City must forge a stronger relationship with the community of commercial real estate brokers in the region. The City must enhance its outside image as a community offering a full range of economic development opportunities.

In the short term Dixon's niche in the office market is for small firms which do not fit well in the larger business parks in Vacaville but which need a more reasonable cost structure than is available in Davis. A business incubator would be a useful approach because it would create a small concentration of office-based businesses with some visibility as an innovative project. An incubator associated with research efforts at U.C. Davis, such as agriculture biotechnology, would establish Dixon as a desirable location for the new wave of firms developing in the Solano/Yolo/Sacramento region.

Downtown Dixon can contribute to the image-building process by increasing its availability of small-scale executive offices. In this way it can function as an incubator for entrepreneurs attracted to live and work in the community, and also add to the range of business service needed to support larger scale office development along the freeway.

The study estimates that an additional 40 jobs per year can be created in Dixon above the baseline

trends as a result of a proactive economic development program. This would create more than 30 job opportunities annually for Target Income Group workers, which are the primary focus of the CDBG program funding this study.

A key issue for the City to resolve in order to implement its Economic Development Action Plan is financing needed infrastructure. The City has specific plan policies in place as well assessment districts and a redevelopment project area to address infrastructure development. Each of these programs have limitations, either due to their availability or funding capacity, to stimulate a more proactive rate of job development. The study outlines several State and Federal programs that may be able to assist with financing infrastructure for specific projects. These include the State CDBG program, which funded this report, the U.S. Economic Development Administration, the USDA Rural Development Program, and the State Rural Enterprise Development and Infrastructure Program (REDIP) program. These funds are also limited and are restricted to specific kinds of projects.

In order to create a catalyst project such as an office-based incubator or business park, the City may need to consider making an investment of City funds in infrastructure or services. Any City investment should be structured as “gap financing” in combination with private and other public funds, but such City participation may be necessary to achieve the kind of diverse and thriving economic future it desires for its residents.

2. SUMMARY OF THE ECONOMIC DEVELOPMENT ACTION PLAN

The material in this chapter is the recommended near term Economic Development Action Plan for Dixon, which is distilled from more detailed recommendations discussed later in this report. It is formatted to function as a separate document for use by business and community leaders, but it is also included in this report for reference with the technical studies, presented in later chapters, that provide background used to develop the recommendations. This plan should be revised regularly as conditions warrant.

***SUGGESTED
ECONOMIC DEVELOPMENT PLAN***

***FOR THE
CITY OF DIXON***

1998
and
Beyond

INCLUDING
Business Retention,
Business Attraction
Business Climate Improvements

City of Dixon
600 East A Street
Dixon, CA 95620-3697

DIXON, CALIFORNIA ECONOMIC DEVELOPMENT ACTION PLAN -- 1998

Project Manager: David Harzoff (707) 678-7000, fax (707) 678-1489

Team Members:

City of Dixon
Economic Development Action Team
SEDCORP
Dixon Business Assistance Resource Team

INTRODUCTION/PURPOSE OF THIS PLAN

This action plan is part of an overall effort by the City of Dixon to create jobs that will balance the population growth the City is currently experiencing. This plan focuses on responding to business attraction leads generated through SEDCORP and other sources, on creating interest for a major office park along I-80, on working closely with Dixon's existing businesses to keep them successful and thriving, and on creating Downtown improvements that will increase traffic and interest in the area.

GOALS -- 1998

1. Attract two new target businesses with 20 employees each
2. Create marketing materials suitable for attraction and retention
3. Create the Expansion/Retention Resource Team
4. Contact 5 of Dixon's 564 firms directly each month
5. Create Downtown Dixon as the center for government, education, local services and professional services
6. Develop industrial and office infrastructure as needed (NE, SW)
7. Proactively seek an office park developer/builder along I-80

TARGET INDUSTRIES

Industrial Targets

- Food processing (selected for low water use)
- Bioagriculture
- Industrial and electrical machinery and equipment
- High-tech laboratory/R&D users
- Furniture
- Wood and paper containers/boxes
- Biomedical products and medical instruments
- Miscellaneous light manufacturing

Other Targets

- Office user targets (telemarketing, processing, etc.)
- Fabricated metal products
- Distribution (captive facilities)

TARGET AREAS

- SEDCORP's target areas
- Expanding manufacturers in the Greater San Francisco Bay Area.
(Over 32,000 businesses in target industries)
- Expanding office space and retail users
- UC Davis related R&D and startups
- Sacramento relocations

THE DIXON PRODUCT

Key Community strengths to market to manufacturers:

- Location (growth corridor)
- Freeway access on I-80
- Proximity to UC Davis
- Proximity to Travis AFB
- Proximity to agricultural production
- Transportation and access to markets
- Large supply of real estate

- Quality of life and housing affordability
- Easy commute to Davis, Sacramento and the Bay Area
- A balanced local government attitude towards growth
- A highly satisfied existing business community (74% would relocate here)

Key Community strengths to market to office/professional and commercial users:

- Located along Interstate 80, excellent access
- 6 minutes from the center of UC Davis
- Prime freeway frontage with 120,000 vehicles per day
- Rapidly developing area at double the Bay Area rate.

Salient facts about the Dixon Industrial Areas:

- Currently available for development : 301 acres
- Largest Available site: 138 acres
- Sites with all infrastructure currently complete: most

Salient facts about the Dixon Office/professional Areas:

- Total available acreage zoned office/professional 336
- Acreage served by existing infrastructure most
- Largest Available site: 38.7 acres

Salient facts about the Dixon Highway commercial corridor

- Total available commercial acreage: 171
- Acreage served by existing infrastructure most
- Largest Available site: 30 acres

COMPETITION

I-80 Corridor communities in Solano and Yolo Counties, including Fairfield, Vacaville, Davis, West Sacramento, Woodland

RECOMMENDED MARKETING BUDGET

\$30,000, including memberships in regional marketing groups, marketing materials for attraction and retention, and modest travel. Advertising is not included.

An additional \$8-30,000 is recommended for advertising beginning in 1999.

STAFFING

The new full-time Economic Development Coordinator is primary staff, with the support of other City departments (see Table 1 in Chapter 3).

Business Attraction

OBJECTIVE	TACTICS	TOOLS	TIMING/ COMMENTS
<i>1. Respond to leads generated by SEDCORP, other sources</i>	<ul style="list-style-type: none"> • Written responses to all inquiries deemed suspect or prospect quality. • Telephone follow-up to each lead after 5 days, and at appropriate intervals thereafter. 	<ul style="list-style-type: none"> • Dixon fulfillment*/response piece • Map of City's industrial areas • Cover letter tailored to prospect • Prospectus pages (detailed data about issues of interest to prospects) 	Ongoing
<i>2. Create marketing materials tailored to target industries</i>		<ul style="list-style-type: none"> • Presentation Folder • Industrial Map of City • Updated fulfillment*/response piece • Prospectus (data book) • Web Site Development 	The map and fulfillment* piece should be created immediately.

Italicized items are core activities of the Economic Development Coordinator

* The fulfillment piece is the primary printed marketing piece that describes the City, and that is mailed and handed out to those making general and/or specific inquiries

Business Attraction

OBJECTIVE	TACTICS	TOOLS	TIMING/ COMMENTS
<i>3 Elevate awareness of Dixon as an attractive place to establish a new plant.</i>	Personal Networking: <ul style="list-style-type: none"> • Maximum exposure at SEDCORP • Attendance at relevant trade shows and events frequented by target industries • Keep in contact with SACTO, Yolo County, competitor cities • Seek opportunities for positive media coverage 	<ul style="list-style-type: none"> • All available marketing materials as appropriate • Press releases, media contact lists 	Ongoing
<i>4. Target biotechnology and office developers (secondary targets)</i>	Continue networking, including: <ul style="list-style-type: none"> • Membership in SEDCORP's Life Sciences Committee; • Support for UCD's Biotechnology Program • Other Bay Area and Sacramento bioscience and high tech activities 		Ongoing
<i>5. Establish effective control over prospect tracking activities.</i>	Effective initial contact and follow-up strategy	Purchase Act!® version compatible with in-house computer system.	Ongoing

Italicized items are core activities of the Economic Development Coordinator

ECONOMIC DEVELOPMENT ACTION PLAN-- 98
Business Retention, Assistance and Expansion

OBJECTIVE	TACTICS	TOOLS	TIMING/ COMMENTS
<i>1 Strengthen working relationships with other economic development service organizations</i>	<ul style="list-style-type: none"> • Create/formalize the Dixon Business Assistance Resource Team • Contact SBDC, et. al 		<ul style="list-style-type: none"> • See Table 14 in Chapter 3. • See Table 2 in Chapter 3.
<i>2 Contact all 570 existing businesses in Dixon to gather information about their needs, and to inform them about additional resources available to them.</i>	<ol style="list-style-type: none"> 1. Regular meetings with local business organizations (Chamber, DDBA, etc.) 2. Individual contacts with 15 major employers 3. Individual contacts with 36 manufacturers; 4. Direct mail and other outreach to all remaining local businesses 5. Semiannual Roundtables 6. 100% business survey every two years to identify constraints and opportunities the City can assist with. 	<p>"Doing Business in Dixon," once prepared (Business resource Guide)</p> <p>"Doing Business in Dixon," once prepared</p> <p>"Doing Business in Dixon," once prepared</p> <p>"Doing Business in Dixon," once prepared</p> <p>Business Revolving Loan Fund</p>	<p>Regular attendance at their meetings</p> <p>5 per month starting immediately</p> <p>5 per month starting immediately after major employers are contacted</p> <p>Direct mailing should be sent in September after Doing Business in Dixon is prepared and printed.</p> <p>With City Council</p> <p>Next survey in 1999</p>

Italicized items are core activities of the Economic Development Coordinator

ECONOMIC DEVELOPMENT ACTION PLAN-- 98
Business Retention, Assistance and Expansion

OBJECTIVE	TACTICS	TOOLS	TIMING/ COMMENTS
<i>3. Create inventory of business assistance programs, organizations and resources</i>	Identify, contact and collect information from grant, small business, banking, nonprofit, state and federal business assistance sources.	Business Resource Guide (or a section of "Doing Business in Dixon"	Update annually
<i>4 Make information about local, state and federal business-related regulations and processes easily accessible to business.</i>	<ul style="list-style-type: none"> • Create a business retention and expansion guide • Post this information on the Dixon web site 	Write "Doing Business in Dixon". Sections in the document should include city demographics, permits and fees, approval time lines, taxes, local incentives, local government services, training and other small business service providers, EDAT, and the Downtown vision.. Include County, State and federal information in same or a separate volume.	This product should be developed immediately and updated annually.
<i>5. Market the Economic Development Action Team (EDAT) as a problem-solving resource.</i>	Include EDAT in all marketing materials		See Table 1 in Chapter 3 for EDAT team members
<i>6. Continuously improve the City's permit processes.</i>	Ensure business feedback through biannual survey, roundtable meetings, etc.	<ul style="list-style-type: none"> • Zoning Ordinance • Development fee ordinance, • Business-related City codes 	Ongoing

Italicized items are core activities of the Economic Development Coordinator

ECONOMIC DEVELOPMENT ACTION PLAN -- 98

Business Climate

OBJECTIVE	TACTICS	TOOLS	TIMING/ COMMENTS
1. Continue key infrastructure development and improvement.	Maintain adequate staff and/or consultant capacity to oversee infrastructure design and development.	Capital Improvements Program and other planning tools.	See next page for infrastructure elements of this plan
2. Enhance Dixon's image to the traveler.	Use freeway exposure as an image and marketing opportunity	Signage, landscaping, etc. visible from the freeway that guides the traveler to the oasis that is Dixon	Collaborate with landowners
3. Improve the quality of the Dixon school system	Assist the school district in planning, siting,, developing and upgrading school facilities	School Facilities master plan Joint City/School Meetings	
4. Ensure adequate power and telecommunications facilities to support new business development	Work regularly with utility providers to plan and develop up-to-date facilities in a timely manner.		
5. Develop a competitive fee structure and policies	Annual development fee review and benchmarking by staff, local business leaders and City Council	Include in Doing Business in Dixon	Annual review and update

Italicized items are core activities of the Economic Development Coordinator

ECONOMIC DEVELOPMENT ACTION PLAN -- 98
Business Climate-- Infrastructure Improvements

OBJECTIVE	TACTICS	TOOLS	TIMING/ COMMENTS
1. Increase wastewater capacity as City expands.	Identify strategies and internal and external funding sources for timely expansion and upgrading of wastewater system.	<ul style="list-style-type: none"> • Wastewater Master Plan • Capital Improvement Program 	Update annually
2. Expand water system to new development areas	Maintain plans with water purveyors to assure adequate and timely future water supplies	<ul style="list-style-type: none"> • Water Master Plan 	Update annually
3. Expand drainage capacity as new development occurs	Update drainage master plan to efficiently handle runoff in new development areas	<ul style="list-style-type: none"> • Drainage Master Plan • Capital Improvement Program 	Update annually
4. Freeway interchange improvements	<p>Develop strategies to finance and design improvements</p> <p>Work with Caltrans and Solano Transportation Authority</p>	<ul style="list-style-type: none"> • Interchange conceptual designs • Municipal finance programs 	

Italicized items are core activities of the Economic Development Coordinator

ECONOMIC DEVELOPMENT ACTION PLAN

Downtown Revitalization

OBJECTIVE	TACTICS	TOOLS	TIMING/ COMMENTS
<i>1 Fully integrate Dixon's economic development, redevelopment, and downtown revitalization components.</i>	Monthly meetings between Chamber, Planning, Economic Development, DDBA		Annual strategy reviews
<i>2 Initiate projects in priority order</i>	<ul style="list-style-type: none"> • Reconfirm redevelopment and other project priorities and schedule for implementation.. • Continued public and private reinvestment. 	<ul style="list-style-type: none"> • Use all redevelopment tools and authorities for maximum effectiveness, including funding public improvements, parcel assemblage, etc. • Continue Facade Improvement Program 	Use EDAT to ensure Downtown projects get fast-track priority.
<i>3 Create a strong external image for Downtown Dixon</i>	<ul style="list-style-type: none"> • Reaffirm vision and desired image for Downtown and agree on a major marketing theme and message. • Improve coordination of marketing efforts. 	<ul style="list-style-type: none"> • City/redevelopment funds to support public and private efforts • Advertising • Discounts and other cooperative business offerings • Special events with external marketing, including May Fair 	Revise visions and strategies annually as needed.

Italicized items are core activities of the Economic Development Coordinator

ECONOMIC DEVELOPMENT ACTION PLAN -- 98

Downtown Revitalization

OBJECTIVE	TACTICS	TOOLS	TIMING/ COMMENTS
4 Create a strong internal image for Downtown Dixon	Attract new City residents and visitors to Downtown establishments	<ul style="list-style-type: none"> • Newcomers Fair • Publish and distribute local business and restaurant guide 	
5. Increase use of facilities Downtown	Work with May Fair Board and other community resources to create more local and visitor-serving events.		Ongoing marketing and special events efforts.

Italicized items are core activities of the Economic Development Coordinator

3. IMPLEMENTATION OF THE ACTION PLAN

3.1 INTRODUCTION

This section provides a more detailed implementation plan for the City of Dixon. The plan includes short- and long-term economic development opportunities, estimates the level of effort needed for an effective business retention and expansion program, recommends a focus for the City's marketing efforts, and provides a comprehensive strategy. This material is prioritized in more detail in the preceding Economic Development Action Plan, which is presented as a stand-alone document so it can be pulled from this report and used as a working tool that can be modified as new information becomes available.

The strategy assumes the recently recruited Economic Development Coordinator will work closely with Community Development and other departments under the direction of the City Manager and City Council to implement this plan.

3.2 ECONOMIC DEVELOPMENT ORGANIZATION

The ways in which the City organizes its economic development efforts will strongly influence the effectiveness of its program. The City should try to conduct its program in a way that leverages the resources available from within City government, within the community, and in other organizations.

The Economic Development Coordinator

The City's new Economic Development Coordinator reports directly to the City Manager and has responsibility for facilitating economic development within the City.

The job description for the Economic Development Coordinator includes a very good list of specific duties:

- Provide coordination and leadership in implementing City Council policies, goals, priorities and objectives related to economic development;
- Serve as the City's primary contact on efforts to promote the City, and recruit quality economic

development projects;

- Manage economic development projects through to completion, expediting, facilitating and mediating any potential roadblocks;
- Maintain close liaison with existing and potential industries, businesses, the Chamber of Commerce, downtown improvement association(s), community groups, the education community, land and building owners, developers, marketing firms; and federal, state, regional and county agencies involved in economic development activities;
- Conduct research, gather and analyze data regarding economic development problems and needs;
- Monitor and forecast fiscal and economic activities and related legislation;
- Conduct feasibility studies; make recommendations regarding policies, procedures, time lines, plans and strategies;
- Facilitate the smooth processing of permits and financial assistance requests, including grant writing and packaging of financial assistance from federal, state and local sources;
- May coordinate existing programs related to economic development, such as Community Development Block Grant implementation, the Revolving Loan Program and the Facade Rehabilitation Program;
- Represent the City in initial negotiations with property owners related to real estate acquisition or development issues and make recommendations to the City Manager;
- Work closely with the City Manager, City Council, City Attorney, City departments; commissions, committees, consultants, and community organizations;
- Initiate contact with businesses interested in expanding or investing in the community;
- Conduct presentations to business and community groups, government agencies and committees, the City Council and City commissions;
- Prepare a variety of written documents including policies and procedures, reports, proposals, grant applications, charts, diagrams and other visual displays;
- Participate in the development and administration of the Economic Development Program budget.

The Economic Development Coordinator should be the City's designated point for economic development issues, and its primary contact to the outside world. However, the Coordinator cannot be expected to have total responsibility for economic development in Dixon. That is neither possible nor desirable. Because planning, infrastructure, permitting, financing, enforcement and other functions all affect direct job creation, and therefore also affect the City's business climate, a true economic

development effort is City-wide, affecting all departments. Other Dixon city departments therefore have control over key aspects of the City's economic development efforts, including Community Development, Building, Fire, Finance, and Public Works. The Economic Development Coordinator should have the responsibility to ensure these departments coordinate their efforts by arranging appropriate meetings and working group sessions, by shepherding job-generating projects through the application process, by expediting and troubleshooting when necessary, and by problem-solving in areas where Dixon's business climate can be improved. In order to be optimally effective, it is important for the Economic Development Coordinator to have the full support of the City Manager, and to have the authority to expedite the approval process when necessary for job-generating projects.

The Economic Development Action Team

The Economic Development Action Team (EDAT) was formed several years ago to help implement the City's 1995 Economic Development Plan. The EDAT is the City's one-stop-shop for new and expanding companies. EDAT is composed of a core group of managers from City departments that have project review authority. The EDAT members participate in a single meeting with each business to coordinate information and scheduling issues related to permits, fees, and project development. Current members of EDAT include:

- the Mayor
- the City Manager
- the Economic Development Coordinator
- the Community Development Director
- the Public Works Director
- the Building Inspector
- the Fire Chief
- the Police Chief

The EDAT is the most effective permit streamlining tool the City could have. The City should keep this tool, and even expand its use. The Economic Development Coordinator should have the authority to call a meeting of the EDAT whenever he/she feels necessary.

Matrix of City Economic Development Activities

While EDAT members are likely to have primary contact with businesses, the entire departmental structure of the City is actively involved in economic development, and should participate fully in planning and implementing its programs. Table 1 outlines how each department is/should be involved in economic development.

Table 1
CITY OF DIXON ECONOMIC DEVELOPMENT COORDINATION MATRIX

	City Council*	City Manager*	Econ. Dev. Coordinator	Community Development	Building Inspection	Finance	Rec/Community Svcs.	Public Works	Fire	Police	REMARKS
Overall Business Climate	X	O	O	O	O	O	O	O	O	O	Entire City participates
Recruitment of new co.'s	O	O	X	O	O	O	O	O	O	O	Coordinator with EDAT support
Retention of existing co.'s	O	O	X	O	O	O	O	O	O	O	Coordinator with EDAT support
Entitlements/permits			O	X							
Building Permits			O		X						
Demographics, Data			X								Maps and data from many sources
Marketing Materials			X	O							Maps and data from many sources
Site inventory			X	O							Local Broker assistance
Lead generation/intake			X								First contact for recruitment/retention
Financial Incentives	X	X	X			O					
Redevelopment tools	O	O	O	X		O		O			
Planning and Zoning			O	X							
Infrastructure to sites			O	O				X			Development financing plans
Downtown Revitalization		O	O	X							Use DOBA, Downtown Committee
Business Licenses			O			X					Improve license data for analysis
Small Business Assist.			X								Use SBDC, other resources
Business Loans (RLF)			X			O					Loan committee
Employment needs			X								

*Note: The City Council and City Manager have overall responsibility for all departments.

Community Resources

The City can establish and operate its own economic development program, but it will not be effective unless it coordinates its activities with the myriad of other entities involved in economic development. Other non-City organizations City staff should routinely work with include a host of entities that help with business retention, business expansion, business recruitment, small business assistance, and business climate issues. Those same organizations can form the core of the Business Assistance Resource Team described later. Economic development service entities active in Solano County/Dixon include (see Table 2):

1. The Dixon Chamber of Commerce, with its 200 local business members;
2. The Dixon Downtown Revitalization Committee, which is working to bring new business into the downtown area;
3. The Dixon Downtown Business Association (DDBA);
4. The Solano Economic Development Corporation (SEDCORP), which compiles demographic information, markets Solano County and Dixon, recruits specific companies, has a full committee structure (including the Life Sciences Committee), and generally assists with job creation in the County;
5. Local utilities, including the Dixon/Solano Water District and Pacific Gas and Electric. Each utility provider recruits new business to its service territory, and can offer incentives for new and more efficient service;
6. The Solano Small Business Development Center (SBDC) in Fairfield, which provides general business assistance, and helps companies access specialized training, financing and export assistance. The SBDC served over 500 businesses last year. It establishes contracts with Solano County cities to serve the specialized needs of their small businesses. The SBDC Director invites Dixon to meet, and perhaps establish a contract for services to Dixon's small business community;
7. The Center for International Trade and Development (CITD) at the East Bay Small Business Development Center, which provides export assistance to local businesses;
8. Contract Education at Solano Community College (SCC), providing customized training to company employees on a contract basis;

9. The California Manufacturing Technology Center in Hawthorne (CMTC), which provides technical and engineering assistance to manufacturers seeking a more efficient manufacturing process;
10. The Private Industry Council of Solano County (PIC). The PIC helps place employees, provides on-the-job training for PIC-referred employees, and designs customized training programs for employers;
11. The Employment Development Department (EDD), which provides placement and training assistance, conducts workshops, and matches jobs to applicants through Job Match;
12. The local Regional Occupation Program (ROP), which provides classroom and on-the-job training for area high school students, and at the same time supplies local companies with additional staff resources;
13. The Greater Avenues for Independence Program (GAIN), which provides job placement and job training for welfare recipients. GAIN and other welfare-to-work programs will increase in importance as welfare reform is implemented;
14. The Service Corps of Retired Executives (SCORE), which provides free management advice and services to small businesses;
15. Local unions, which offer apprenticeship training for trades;
16. Locally-owned banks, many of which offer small business financing;
17. The Office of Small and Minority Business, which helps small, minority and women-owned businesses contract with state agencies;
18. The California Trade and Commerce Agency and its Office of Small Business and Small Business Development Center Program. These entities schedule conferences and seminars;
19. The California Trade and Commerce Agency and its Bay Area Regional Office. This office provides/arranges business attraction, retention, export assistance, Employment Training Panel (ETP) grants, other grants and loans, EDD services, and other community and economic development services;
20. Team California, with its statewide economic development and lead- activities;
21. Local commercial real estate professionals, which are typically consulted when showing property and when compiling inventories of available sites and space;
22. Local land and building owners to keep the inventory of available space current and

development sites available;

23. UC Davis and its many community relations functionaries, including the Chancellor's Office. Dixon representatives should participate in all relevant events and activities;
24. UC Davis Biotechnology Program, which keeps current on the biotechnology industry and related university activities, growth, issues and research;
25. The Bay Area Marketing Partnership, and its focused business recruitment program;
26. Travis Air Force Base, and its civilian and community liaison and business development functions
27. The Sacramento Area Commerce and Trade Organization (SACTO), which is recruiting industry to the greater Sacramento Area. Joining SACTO is not recommended since SEDCORP covers business attraction for Dixon. However, since Dixon is five minutes away from Davis and less than thirty minutes away from Sacramento, Dixon is often considered part of the Greater Sacramento metropolitan area by businesses seeking new locations. This includes biotechnology companies in and around Davis, Woodland and West Sacramento. It is therefore important for Dixon to be represented at SACTO-sponsored events (e.g. annual breakfast, forecast conference, etc.);

Table 2
CITY OF DIXON
MATRIX OF COMMUNITY RESOURCES

ORGANIZATION	City of Dixon	Chamber of Commer	Downtown Revitalization Committ	Downtown Business Ass	SEDCOR	Local Utilitie	Small Bus. Devel. Cent	Cur. for Int'l Trade and Dev	Solano Community Colle	Ca. Mfr. Tech. Cent	Private Industry Counc	Employment Devel. Dep	Regional Occup. Progra	GAI	SCOR	Union	Local Bank	Office of Small & Minority B	Trade and Commer	Local Realtor	Local land and building owne	UC Davi	SACT
SERVICE																							
Business-friendly policies	X	A			A	X													X				A
Bus. Attraction - promotion	X	A		A	X	A													X	X	X	A	X
Bus. Attraction - Recruitment	X	A	A	A	X	A					A	A					A		X	X	X	A	X
Bus. Retention	X	X	X	A	X	X													X		X	A	A
Land/space inventory	X	A				A														A	A		
Downtown revitalization	X	A	A	X		A											A			A	X		
Incentive programs	X		A			X													X				
Source of employees	A								X		X	X	X	X		X						X	
Employee Training	A					A			X		X	X	X	X		X							
Revolving Loan Fund	X				A	A											A		A				
Financing, other	X				A	A	A	A		A					A		A	A	X		A		A
Technology, innovation, technical assistance	A				A	A	A	A	X	X					X				X			X	
Counseling, general assistance	A	A			A	A	X	X	A	X					X			X	X				
Information Center/Library	A	A			X		X	X	X	X					A				A			X	
Export assistance/procurement	A				A	A	A	X							A				X				
Permit Assistance	X	A		A	A	A													X				
Business to Business Networking		X		X			A																

X= Responsible provider in relevant jurisdiction

A = arranges this service and provides assistance as needed

3.3 BUSINESS ATTRACTION

The challenge of business attraction is to identify and recruit specific businesses that will believe Dixon offers a competitive advantage for their business investment. A business attraction program therefore relies on a well defined marketing program.

Business attraction is defined as recruiting new businesses from outside of the City. The key distinction between attraction and retention/expansion is the location of the target market (external to the City vs. internal). Marketing tactics and collateral materials therefore typically vary for the different targets. Tactics and materials for recruitment typically include demographics, maps, site selection and business climate factors, cost and other information useful to site decision-makers. Tactics and materials for retention/expansion typically key on available services for existing companies. Both types are necessary. However, once an attraction lead becomes a prospect, the sales and customer service processes are quite similar, and often hard to separate. Economic development staff, whose primary function is to serve job-generating businesses, can easily shift between attraction and retention. The Business Retention/Expansion Resource Team described in Section 3.4 can also serve as the Business Attraction Team.

The Marketing Process

Marketing is the set of activities leading up to and including successful company recruitment. Marketing typically includes market research, understanding and improving the product for sale, planning an outreach strategy, making the product available to customers by implementing the plan, and selling the product. The total marketing process includes the analysis necessary to define the product and audience, and preparation of strategic plans to strengthen the capacity of the area to adapt to the changing marketplace, seize opportunities and sustain vitality as a community.

Marketing is a time consuming, expensive and continuous process - it is a process of planning. Marketing should be considered an *investment*, not an expense. Marketing must have a *commitment* of 3-5 years. Marketing should be *measurable*, based on realistic goals and strategies for each year.

An effective marketing strategy that brings results has six critical elements:

- *Consistency*
- *Frequency*
- *Patience*
- *Tools*

- *Focus*
- *Sales*

There are controllable and uncontrollable factors in marketing:

Controllable factors

- Selection of target markets
- Identification of market objectives
- Assigning responsibility for marketing
- Determining appropriate marketing mix
- Executing the marketing plan
- Sales approach
- How the City treats each prospect, including the permit process

Uncontrollable factors

- Specific prospects
- Competition
- State government and legal environment
- The economy
- Independent media
- City's economic and physical characteristics (short term)
- Community attitude (short term)

Dixon's Business Climate

As noted in Chapter 6 (I-80 Corridor Market Analysis) Dixon has the potential to shape its future industrial and commercial character. The City has a real chance to create a physical image by developing its freeway and other commercial and industrial properties with distinctive design features. The City also has a real chance to present a strong and unique image to the outside world through creative marketing and selective recruitment.

The future character of Dixon will be determined by several factors. First, the City is clearly attracting major interest from highway commercial and distribution users. The current interest is because of: 1) the I-80 Corridor's overall growth as a distribution location (e.g. West Sacramento, Woodland); 2), with easy access to the Bay Area and the Eastern US, easy access to I-5 northbound markets (e.g. Seattle), and moderately good access to I-5 and southern markets (e.g. Los Angeles); and 3) the City's available land in the larger sizes needed by large distribution users. Direct distribution competitors include West Sacramento, Woodland, Tracy and Stockton. Examples of distribution firms include;

- Kragen Auto Supply
- Gymboree
- Wiegand Transportation

Second, the City is attracting manufacturing. The current interest is also because of: 1) the City's geographic location on the I-80 Corridor; 2) lower costs relative to the Bay Area; and 3) the City's available land in all sizes. This growth pressure will continue as industry searches north, south and east

for opportunities to lower manufacturing costs for expansions and relocations. Dixon is in the heart of the I-80 search area, being east of but still close to the Bay Area. Direct competitors for manufacturing include Vacaville, Fairfield, West Sacramento, Woodland, and the greater Sacramento and Stockton areas. Examples of manufacturing include:

- Altec Industries
- Hemostat Labs
- Pacific Coast Building
- Milgard Tempering

Third, the City has potential for office/professional/laboratory users because of: 1) the I-80 Corridor's eastern expansion; 2) access to the population centers in the Bay Area and Sacramento (necessary to attract the employees that would staff office space); 3) the six-minute commute from central Dixon to the UC Davis campus, where at least two agricultural biotech firms are seeking expansion room; and 4) freeway and rail access for commuters. These are all positive indicators of office/R&D potential. However, current market conditions are generally not favorable for office development in Dixon. With the many other office park choices available closer to heavy population concentrations, Dixon will expand its office space much slower than other areas. and must wait until these areas fill more and become more costly. Unlike Pleasanton/Livermore, which is now filling its office parks and beginning to create office demand in eastern San Joaquin County, Dixon is between Vacaville/Fairfield and Sacramento, two growing regional office areas with plenty of available office/professional land. In addition, Dixon's prime office locations are still in the planning stages, and do not currently have infrastructure. Direct competitors for office users include Vacaville, Fairfield, Davis, and the Greater Sacramento area. Examples of office applications include:

- Telemarketing and telephone service firms (e.g. DCS, a loan processing service center going into 36 acres in Tracy)
- Corporate headquarters (e.g. Oracle, located in Rocklin)
- Information processing (e.g. First Northern Bank in downtown Dixon)
- Biotechnology research (e.g. Calgene, Genentech, AgraQuest)

Fourth, downtown is in the process of being renovated and revitalized. Dixon's historic downtown area served the local population prior to the regional malls and commercial nodes appearing along I-80. Like many small communities that are bypassed by interstate highways, the downtown area failed to compete with these newly developing centers and lost much of its economic activity. Now, downtown must redefine its future character. A city's downtown area is an indicator of the degree of civic pride, of the

organizational abilities of City management, of the determination of the local business community, and of the fiscal health of the community. Now that Dixon is growing rapidly and has annexed significant acreage for new development, the City's downtown must aggressively compete with the new areas. The interchanges will capture the highway commercial traffic, but they need not capture the local resident and business traffic. Downtown has the advantage of being the center of local government and education -- it must reestablish itself as the service center for the new residents and businesses that are coming, or it will stagnate. The City must continue to upgrade downtown through physical changes, business assistance, business recruitment and cooperative marketing tactics. Downtown can, with enough momentum and redevelopment funding, establish itself and successfully compete as a center for professional, retail, office, tourism, cultural, intermodal transportation and/or restaurant services.

Tactics and Tools

Marketing involves developing a set of tactics and tools that assist the sales force in its recruitment effort, including:

Tactics (not in any order of priority)

- Print Media publicity and advertising
 - Horizontal publications (broad inter-industry audience)
 - Vertical trade publications (narrow, single-industry audience)
- Radio
- Television
- Trade shows
- Direct mail (purposes vary)
- Telemarketing
- Business calls
- Business Missions
- Special Events (Purposes vary)
- Public relations
- 1-800 faxback line
- Billboard
- Home Page
- Association memberships
- Personal networking
- Business retention survey and program
- Incentives, including tax credits, training, fee waivers, land write downs

Tools

Image and Awareness Tools

- Coordinated Business systems (logos, cards, stationery)
- Presentation folder
- Business Response Piece

Information Bases

- Economic Profile
- Industrial Map
- Community Inventory
- Business Resource Guide (such as “Doing Business in Dixon”)
- Business Climate factors
- Operating cost comparisons
- Industry demographics
- Wage and Salary survey
- Industry profiles
- Site and building inventory

Sales Tools

- Cold Call presentation
- Prospect presentation

Other

- Annual Report
- Newsletter
- Giveaways, trinkets

These tactics and tools should be developed to match the interests of the target industries and the optimal ways to reach those industries.

Sales/Selling

Sales is an **integral** part of marketing. Sales is the follow-up process once an inquiry or lead is identified through the use of one or more tactic. Sales can be, but does not need to be implemented by the same people that perform other aspects of marketing. The salesperson is often the key to a successful marketing program. The key to successful sales is **continual contact with prospects**. Many economic development organizations prepare wonderful marketing plans, and then implement them. However, too many organizations fail to plan for the sales process, including following up with prospects and conducting face-to-face meetings. An additional one third of the time actually spent with prospects should be allocated for prospect follow-up. The salesperson must:

- Know the product
- Know the market
- Know the competition
- Have the right sales tools, then
- **Call on the target.**

Industrial Targeting

Economic development marketing programs try to develop business activity and create jobs in a competitive environment. Many economic development organizations often focus on marketing the community as a whole, including its industrial, commercial, retail, tourism, and other sectors. However, it is more effective if the marketing program is segmented into the various business sectors being targeted. Because there are not enough resources to blanket all prospect markets and industries, the City needs to prioritize targets.

This marketing plan is focused on attracting manufacturing and distribution (Standard Industrial Classification categories between 2000 and 4999). Dixon should first seek these key basic industries that drive job creation in the service industries. These jobs are often higher paying and more stable than service jobs. R&D, professional services and related office and laboratory space users (Standard Industrial Classification categories generally between 6000 and 9999) also make good longer-term targets for Dixon, especially since the City has zoned land for these purposes. The City will benefit in the future if it develops a core of office/laboratory users, which will diversify the local job mix.

Once the specific target industries are thoroughly researched and a marketing program, budget and staff are firm, a specific number of expected companies recruited in each year of the marketing plan can be estimated. In Dixon this should be a modest number (e.g. 3-5 new companies per year, each employing 10- 25 people). The ultimate goal should also be driven by the size and needs of target companies, and by the limitations of industrial land and available space. It is also driven by the desire to maintain a diverse economy rather than simply recruit any type of business.

Recommended Targets

Dixon should work to attract all prospects from whatever source as long as they are compatible with existing zoning and can be supplied needed infrastructure and other services. However, the growth industries identified in Chapter 5 (Economic Base Analysis) of this report have a greater affinity for Dixon and the surrounding region and are therefore more likely to locate in the City. Table 3 summarizes regional growth industries. Retail categories are excluded.

Table 3
Summary Growth Industries for Dixon

Industry	Solano Growth Industry	Yolo Growth Industry	Sacramento Growth Industry	Typical Zoning Needed by Users
Food Processing**	X	X	X	Industrial
Fabricated Metal Products	X	X	X	Industrial
Transportation Services	X	X	X	Office, business park
Wholesale Distribution	X	X	X	Industrial
FIRE*	X	X	X	Office, business park
Misc. Apparel	X	X	X	Industrial
Furniture	X	X	X	Industrial
Industrial Machinery	X	X	X	Industrial
Electrical Equipment	X	X	X	Industrial
Medical Instruments	X		X	Industrial
Wood containers	X			Industrial
Paperboard/boxes**	X			Industrial
Rubber/Plastic Products	X		X	Industrial
Biomedical	X			Business park, R&D
Business/Prof. Services		X	X	Office, business park
Instruments, nonmedical		X	X	Industrial
Printing/publishing		X	X	Industrial
Transportation Equip.		X	X	Industrial

*Finance, Insurance, Real Estate

**Tends to be heavy water user unless selected smaller companies are recruited.

The suggested targets recommended in Table 4 have been selected from the above list. Future Dixon marketing materials and activities should be focused on attracting these industries. Recommendations are based on the following factors:

- Growth industries in Solano, Yolo and/or Sacramento Counties
- The ability of Dixon to meet the site location requirements of the selected targets, including:

- Limited treated domestic water- and wastewater-using industries, at least in the short term (see Table 5)
 - Proximity of world-class university
 - Highway and other transportation access
 - Employment needs that match the local population
- Existing zoning and future land use plans
 - Market forces as known
 - Existing industries in and around Dixon
 - The professional judgment of the ADE team

Table 4
Suggested Target Industries for Dixon

Industry	Comment
Food Processing	Tends to be heavy water user so City should concentrate on smaller companies, or those using dry processes
Fabricated Metal Products	Tends to be smaller one-owner shop; prefer existing buildings to lease; found in generic industrial areas
Transportation Services	Tends to co-locate with common carriers and other distribution industries.
Wholesale Distribution	Excellent fit! Keep working on the big ones
Furniture	Tends to be smaller one-owner shop; prefer existing buildings to lease; found in generic industrial areas
Industrial Machinery	Tends to locate in generic industrial areas
Electrical Equipment	Tends to locate in generic industrial areas
Medical Instruments	Most need clean rooms; tends toward mid-small facilities, good target for business parks
Wood containers	Tends to be smaller one-owner shop; prefer existing buildings to lease; found in generic industrial areas
Paperboard/boxes	Tends to locate in generic industrial areas. Can be a high water user. Concentrate on companies at the finishing end of box making.
Biomedical	Best bet is expansion of established Bay Area firm.
Rubber/Plastic Products	A strong component of biomedical products.
Bioagriculture	Expanding in and around the Davis/Dixon area. Work hard to attract. Will need to provide lab, office and field research facilities. Prestige target with smaller facility needs.

Table 5

Industrial Water Use in California by Number of Employees -- 1979

Industry Group	Industry Name	Total Employees	Reporting	Water Intake (Million Gals/yr.)	Avg. Per Employee (Million Gals/yr.)	Rank
20	Food and Kindred	159156	97349	57648	0.5922	M
21	Tobacco manufacturers	313	0	-	--	
22	Textile mill products	20484	88	<1	--	
23	Apparel and textile products	99327	332	2	0.006	L
24	Lumber and Wood products	63703	8916	13531	1.52	H
25	Furniture and fixtures	62173	2577	67	0.026	L
26	Paper and allied products	38779	22540	37583	1.67	H
27	Printing and publishing	122945	2422	32	0.013	L
28	Chemicals and Allied products	83813	36152	13381	0.37	M
29	Petroleum and coal products	22940	10785	71661	6.64	H
30	Rubber and plastic products	63442	28759	1503	0.05	L
31	Leather and leather products	14675	801	153	0.191	L
32	Stone, clay and glass products	64696	28987	11745	0.405	M
33	Primary metal industries	78031	35710	22053	0.618	M
34	Fabricated metal products	151851	27783	1863	0.067	L
35	Machinery, except electrical	276976	73545	2133	0.029	L
36	Electric & Electronic equipment	371850	119826	2295	0.019	L
37	Transportation equipment	206055	114404	6709	0.059	L
38	Instruments and related products	96906	19365	733	0.038	L
39	Miscellaneous mfr.	62868	13894	167	0.012	L
TOTAL		2026608	644236	243259	0.3776	

Source: Water Use by Manufacturing Industries in California 1979 (DWR Bulletin 124-3, May 1982, Table 4).

Geographic Location and Size of Target Industries

The industry targets identified above are obviously plentiful in the **Bay Area**. Marketing efforts conducted by the City on its own should be directed there, and especially to the five most urbanized counties. Table 6 characterizes the size of the target industries in the Bay Area.

Table 6

Target Industry Size in Selected Bay Area Counties

Sic Code	Industry	Business Count	Employee Count	Average Empl.
2000-2099	Food processing	861	27,997	33
3400-3499	Fabricated metal products	1,089	25,052	22
4200-4299	Trans., warehousing	2,356	37,092	16
2500-2599	Furniture	462	5,242	11
3500-3599	Industrial Machinery/equip.	2,646	107,529	41
3600-3699	Electronic, electrical equip.	2,183	144,591	71
3800-3899	Medical, other instruments	1,065	51,202	49
2400-2499	Wood Containers/products	386	3,578	9
2650-2679	Paperboard/boxes	197	6,414	36
2830-2839	Biomedical products	207	14,467	83
	Subtotal manuf./distrib.	11,452	423,164	37
8700-8799	Eng, Acct, Research, Mgt.*	18,161	224,192	13
7389	Telemarketing, phone svcs.*	2,730	45,012	17
	TARGET TOTAL	32,343	692,368	21

Counties aggregated: Alameda, Contra Costa, Santa Clara, San Francisco, San Mateo

Source: Dun & Bradstreet Directory January 1998

* Tends to be office space user. Identify and recruit the larger firms in this category

Many good prospects also originate from outside the Bay Area. SEDCORP and TeamCalifornia should handle nationwide and international recruitment on behalf of Dixon. The City will find it gets plenty of prospects (including Bay Area prospects) if it actively participates in events and activities, financially supports, and/or gets on the mailing lists of the following organizations:

- SEDCORP, including maintaining existing SEDCORP committee memberships;
- TeamCalifornia;
- The California Trade and Commerce Agency;
- The Industrial Development Research Council (IDRC), through Trade and Commerce;
- The Bay Area Economic Forum and its related organizations;
- UC Davis, especially biotechnology and industrial research related events;
- The California Association for Local Economic Development (CALED);
- The Sacramento Area Commerce and Trade Organization (SACTO).

Membership in SACTO is not recommended, but participation in relevant SACTO-sponsored events is recommended.

Site Selection Factors Being Sought by Companies

There are six major site selection factors corporate facility managers consider when analyzing expansion and location opportunities. Within those six are numerous other considerations. Each factor is weighted in importance depending on the type of business and the owner. The priority of each factor is constantly changing. However, in today's market two considerations are paramount: labor and labor skills, and reducing operating costs. Dixon's key competitive strengths are in **bold**.

Real Estate Related Costs

Low lease rates or land costs
Low Construction costs
Up-front rent/cost concessions

Market/Corporate Accessibility

Primary Consumer markets
Suppliers
Business services/Technical support
Corporate/Division Headquarters

Taxes/Regulatory Environment

Property Tax Rates
Corporate and Business Taxes
Personal Income Taxes
Favorable local Government
Community Attitude Toward Business
Tax Relocation/Startup Incentives

Quality of Life

Housing Affordability
Cost of Living
Recreational/Cultural Amenities
Climate
Ease of Commute
Low Crime Rate
School System

Specific Target Industry Factor

The most important factors for some target industries are prioritized in Tables 7 to 13.

Labor Quality/Availability

Educated Labor Force
Availability of low-cost labor
Availability of continuing education
Job Training programs

Labor Relations

Industry specific skills

Infrastructure

Transportation
Port (within 1 hour)
Airport (within 1 hour)
Rail
Major Highways
Utilities
Telecommunications
Sewer/Water

Table 7
Food Processing

<u>TOP 5 HOT BUTTONS</u>	<u>COMMENT</u>
Proximity to Raw Materials	Sacramento Valley growers can get easily any product to Dixon for processing.
Access to Distribution	Excellent distribution location with many trucking firms nearby.
Low cost, available labor	Within 30 minutes of 100,000+ workers between Sacramento and Vacaville/Fairfield. 869,000 workers in Solano, Sacramento and Yolo Counties alone.
Water supply and wastewater treatment	Ample surface and groundwater supplies, short term limitations. Water and sewer expansions are planned.
Access to packaging materials	Plastics, cans, palettes are all either plentiful or can be brought in on short hauls.

Table 8
Biomedical Products

<u>TOP 5 HOT BUTTONS</u>	<u>COMMENT</u>
Availability of Higher Education	World-class Graduate schools and research institutions nearby. UCD 5 minutes, Bay Area institutions an hour away.
Labor availability	Expertise at all levels in the Bay Area and expanding east. Existing industry in Dixon, West Sacramento, Vacaville.
Housing affordability	A variety of new housing from \$129,000, low-cost relative to the Bay Area.
Proximity to other similar manufacturers	Attractive manufacturing and distribution opportunity. California has 1 out of every 5 medical manufacturers, several in Dixon and surrounding communities.
Close to suppliers and markets	1/4 of all manufacturing in California and 10 million residents within 1.5 hours of Dixon.

Table 9
Transportation Equipment (Industrial Machinery)

<u>TOP 5 HOT BUTTONS</u>	<u>COMMENT</u>
Proximity to markets	Given the huge transportation industry in the City, this industry easily fits in Dixon. 10 million residents within 2 hours of the City. The City is transportation central for much of this activity
Cost of Labor	Wage rates are lower than the Bay Area because the cost of living is lower.
Labor Relations	Unions represented 2.9% of metals and machinery employees in the Sacramento region in 1988.
Built Space Costs	Even though the vacancy rate is low, the cost of built space is comparable to or lower than other space in the region. Definitely lower than the Bay Area.
Energy Dependability	PG&E Territory, very high reliability compared to other utilities.

Table 10
Machine Tools/Metalworking (Fabricated Metal Products)

<u>TOP 5 HOT BUTTONS</u>	<u>COMMENT</u>
Cost of doing Business, including land and built space costs	General business costs, including labor, less than the Bay Area and more comparable to the Sacramento Region. Hottest growth area in the State. Land and permit costs comparable.
Labor Availability	Within 30 minutes of 100,000+ workers between Sacramento and Vacaville/Fairfield. 869,000 workers in Solano, Sacramento and Yolo Counties alone.
Proximity to Suppliers	Rapidly growing area centrally located to a large number of suppliers (1/4 of all manufacturing in California and 10 million residents within 1.5 hours of Dixon), and to a large number of potential customers, including medical instruments, transportation equipment, personal computers and other users of fabricated metals, and who use metalworking machinery.
Energy Dependability	PG&E Territory, very high reliability compared to other utilities.
Access to Intermediate Manufactured Products	If you can't find what you need in the Region, the East Bay is 1 hour away.

Table II
Rubber and Plastic Products

<u>TOP 5 HOT BUTTONS</u>	<u>COMMENT</u>
Proximity to Markets	1/4 of California's manufacturing and consumer spending within 2 hours of Dixon
Cost of Transportation Services	On main arterial with abundant local transportation firms.
Availability of Capital	Close to Bay Area capital and debt markets.
Land/built space cost/availability	Ample land capacity for future development. Built space is being created to attract significant users.
Business Incentives	Competitive set of incentives for businesses is available, including fast permit processing. Redevelopment tools not available in developing areas of the City.

Table I2
Bioagriculture

<u>TOP 6 HOT BUTTONS</u>	<u>COMMENT</u>
Availability of Higher Education	UC Davis, a premier agricultural research institution, is 5 minutes away
Educated labor force	All who live and work in and around the Davis campus have easy access to Dixon
Quality of life/ Housing affordability	Residents choose to live in Dixon because of its small-town atmosphere and affordable housing. All Bay Area, Davis and Sacramento amenities are available.
Proximity to other similar companies	Dixon is in the heart of this emerging industry.
Available small business office/R&D space.	A weakness to overcome. Plenty of space for field research.
Access to airport for employee travel.	Sacramento within an hour, with Oakland and San Francisco all within an hour and a half.

Table I3
Instruments, Including Medical

<u>TOP 4 HOT BUTTONS</u>	<u>COMMENT</u>
Availability of Higher Education	UC Davis is next door, Bay Area institutions nearby.
Labor availability	The required technical and education skill levels are available.
Housing affordability	Dixon enjoys moderate housing prices relative to the Bay Area.
Proximity to other similar manufacturers	Attractive manufacturing and distribution opportunity. Bay Area industries are moving into this growth area.

Real Estate

The City keeps a good inventory of new commercial and industrial space in its **Development and Project Summary** (Section I: Commercial and Industrial Projects). The Summary lists both new land and new buildings coming on line for commercial and industrial purposes. The May 1997 update lists about 500 acres of industrial and commercial land in various stages of development. This summary is a *very useful marketing tool* that can be used by businesses seeking new locations. It should be updated at least every six months.

The City should also compile semiannually in the same format a list of existing industrial and commercial buildings available for lease or purchase. Compiling an accurate list will require periodic polling of all local commercial Realtors to obtain their current listings. In addition, City Community Development and Economic Development staff should, during the normal course of conducting City business, also be aware of other land and buildings in public and private ownership that are vacant and available for use but not actively listed. This *list of all available existing property (whether listed or not)* will be useful for recruitment purposes (especially recruitment of smaller industries). The list will also help with retention and expansion of local companies, especially in the Downtown area.

Processing Leads

Once leads are generated from advertising, direct mail, referral, etc., they must be processed and qualified. Each lead should be:

- Reviewed and coded
- Sent a fulfillment package (customized if possible)
- If suspect quality, followed up with a phone call
- Invited to all appropriate seminars and events
- If prospect quality, frequently contacted and provided any requested follow-up information.
- Called upon with a personal visit at their place of business.
- If hot, given one or more site tours and meetings
- Continuously tracked and monitored until a result or inactive.

Prospect Tracking

Prospect tracking systems are recognized as necessary and useful for control, and for analyzing program effectiveness.

Because it is such a useful and necessary part of effective economic development, a tracking system should be developed that is:

- Fully supported and required by management
- Easy to input and update (automated as much as possible)
- Information is easy to get, read and utilize by all authorized staff
- Useful in generating reports for management.

Fortunately, off-the-shelf software is readily available. Act!^R by Symantec, is one well-regarded, easy-to-use, full-featured program. An Act! database has been developed to keep track of companies interviewed for the Business Retention and Expansion Program, and to track projects derived from the survey.

Marketing and Business Attraction Recommendations

Business Attraction Recommendations - Year 1

- Prepare and implement a specific, but modest marketing plan. The plan should expand on the recommendations in this report, and should include the following elements:
 - Goals;
 - A target industry list in the three segments (industrial, office, retail/commercial);
 - Dixon's strengths detailed usefully to businesses;
 - A brief description of the city's competition for each target segment;
 - A promotional action plan and calendar (e.g. advertising, SEDCORP's promotional activities, trade show attendance, etc.);
 - Tool/collateral material development;
 - A budget.
- Publish a new set of marketing materials, including a good color industrial/commercial map that can be edited as the sites are developed, updated business response piece, and project summary. Include the downtown area to show how close business services and employee amenities are. New materials should be coordinated with those of SEDCORP and the Chamber of Commerce to avoid duplication and gaps in information;
- Create a marketing budget of \$20-30,000 the first year, which will fund:
 - Memberships in and support of SEDCORP, the Bay Area Economic Forum, UC Davis

- business programs, the Dixon Chamber of Commerce and other organizations (\$6,000+/-);
- The creation of selected new marketing materials and Web site(\$15 - \$20,000);
- Modest marketing and related travel activities, including trade shows, trade missions, and direct mail (\$5-10,000);
- This budget does not include funds for any advertising.
- Perform limited marketing on behalf of the City. Participate in lead-generating promotional activities, including committee and organizational memberships, personal networking, advertising and direct mail to selected industrial targets. The City's marketing should be limited to activities not performed by SEDCORP (e.g. selected lead-generating advertising, trade show attendance, and direct marketing);
- Stress location, transportation and access to markets, a large supply of real estate, quality of life and housing affordability, ease of commute, and favorable local government attitude as the City's greatest assets.
- Recruit/formalize the membership of the Business Assistance Resource Team to efficiently respond to leads already coming in. Primary lead response should be the responsibility of the Economic Development Coordinator. However, the E.D. Coordinator should have a team of individuals ready to respond to specific questions and to meet with prospects on short notice. The makeup of the team is the same as the Business Assistance resource team described in more detail in section 3.3., Business Retention and Expansion;
- Develop the Northeast and Southwest Specific Plan areas and other industrial/commercial land in accordance with the General Plan and market forces;
- Encourage retail, highway commercial and service commercial growth at and near the City's four interchanges and in the downtown. Target industries showing retail leakage to Vacaville and other communities (i.e. building materials, auto dealerships, warehouse/clubs, home furnishings, appliances and drugs);
- Finalize the City's incentive program, which has been outlined in Dixon's 1995 Economic Development Plan. Incentives should be designed so there are incentives for new and expanding businesses. See the incentive recommendation in the retention section above;
- Test/create demand for office/professional/laboratory space in Dixon. Specifically:
 - Discourage via City policy new residential, distribution and heavy manufacturing users in locations already planned for future office and professional. Existing market demand for housing and distribution will require delivering this message strongly and repeatedly to potential developers;
 - Develop a strategy to entice office park developers and speculative builders to Dixon. Incentivize the program by offering expedited permit processing, CDBG Project funding and other tools the City has at its disposal;
 - Through SEDCORP and the local brokerage community, establish working relationships with existing office/laboratory users in Davis, Sacramento, and the Bay Area. Monitor who is expanding and make sure they are aware of Dixon's ability to serve their needs;

Business Attraction - Year 2

- Begin business attraction marketing activities, including implementation of the marketing plan developed in Year 1. Begin advertising, trade show attendance, a direct mail program, and a business recruitment web page.

- Actively participate in lead-generating promotional activities, including committee and organizational memberships, personal networking, advertising and direct mail to selected industrial targets.
- Create a marketing budget of \$40-60,000 the second and succeeding years, which will fund:
 - Memberships in and support of SEDCORP, the Bay Area Economic Forum, UC Davis business programs, the Dixon Chamber of Commerce and other organizations (\$6,500 +/-);
 - Reasonable marketing and related travel activities, including trade shows, trade missions, and direct mail (\$7,000 +/-);
 - The creation of additional new marketing materials (\$15 - \$20,000);
 - This budget now includes funds for advertising (\$8 - \$30,000).

Business Attraction - Year 3 and beyond

- Continue the activities begun in Years 1 & 2. Improve their effectiveness.

3.4 BUSINESS RETENTION AND EXPANSION

Many expansion opportunities come from within the City, either from direct expansions, vertical integration of existing companies, or through supplier/customer relationships. By implementing the business outreach program outlined in the City's 1995 Economic Development Plan, at least seven key benefits are being achieved:

- Companies become aware that the City wants them to succeed;
- The City increases its awareness of the needs of its existing businesses;
- The City increases its awareness of local and regional weaknesses and strengths;
- Jobs are saved if existing problems can be fixed;
- New job-creation opportunities are discovered;
- Supplier industries are identified for recruitment from outside;
- The City and its economic development partners improve their services.

Business Retention and Expansion Recommendations - Year 1-3

The recommended City program is defined in the following prioritized recommendations, which have been derived from the 1995 Economic Development Plan, from programs that work in other communities, from interviews with local business leaders, and from the business survey described in

Chapter 4. These recommendations are further prioritized in the Action Plan.

- Establish, re-establish or strengthen existing working relationships with organizations and individuals that provide training, recruitment, technical assistance and financing to small business owners and their employees. Improving coordination among small business services providers will improve the quality and accessibility of the services offered;
- Continue the existing business retention and expansion program in the 1995 Economic Development Plan to identify existing job creation opportunities, to identify and address local business issues, to prioritize economic development projects, to educate the community on business issues, and to publicize the City's economic development activities. Specifically:
 - Conduct regular mini-roundtables between City staff and major employers;
 - Conduct a semiannual roundtable between the City Council and business representatives. City staff should attend and provide relevant staff reports. This roundtable should include local landowners, local brokers, interested citizens, a Chamber representative and others. The Roundtable would advise the City on key economic development issues.
 - Visit local businesses most likely to be hiring new employees and expanding their facilities (by the Economic Development Coordinator), including first:
 - Manufacturing and distribution firms, which were the most positive about expanding (Chapter 4 business survey). The Dun & Bradstreet database of 553 firms in Dixon and the immediate area includes:
 - 36 manufacturing firms;
 - 23 motor freight and transportation services firms;
 - 35 firms engaged in wholesale trade;
 - Dixon's fifteen private-sector employers with 50 or more employees (according to Dun & Bradstreet), and others known to be large employers. Even if these companies are currently not within the City limits, they should be visited for information purposes. These companies make a tremendous impact when expanding and/or relocating:
 - Dixon Canning (Campbell Soup Company)
 - Kragen Auto Supply
 - Pacific Coast Building Products (Basalite Block Division)
 - Superior Packing Co.
 - Altec Industries, Inc.
 - Anderson Truss (Pacific Coast Building Products)
 - Cattlemens Steak House
 - Chevys Mexican Restaurant
 - Dennys
 - Milgard Tempering Incorporated
 - Monk and Son
 - Safeway 1258
 - Veri-Built Construction Corp.
 - Gymboree (not on D&B list yet)
 - First Northern Bank (not on D&B over 50 list)
 - Hemostat Labs (not on D&B over 50 list)
 - Premier Industries (expanding, not on D&B over 50 list)
 - Small businesses, because most job growth comes from the small business sector;
- Visit local CEO's (by Council members and the City Manager), including small businesses;

- Conduct a new 100% business survey (like the one conducted for this report and described in Chapter 4) every two years. Analyze and report on trends. Modify the next survey to capture “red flag” issues that individual businesses have that can immediately be addressed;
- Conduct a monthly meeting between the City, the Downtown Business Association, the Downtown Revitalization Committee, and the Chamber of Commerce. Discuss downtown issues, including prioritizing revitalization projects, creating new office and professional space, marketing, etc. The frequency of meetings can be reduced over time as downtown issues become better coordinated;
- Market business services to local businesses (e.g. financing, training, small business assistance, permit assistance). Create a modest, attractive set of materials that describes these services (e.g. tri-fold brochure, fact sheets). Mail the materials to local businesses. Coordinate marketing efforts with cooperating organizations to leverage costs;
- Track (via the business license) all new business starts and home-based businesses which may need support services. Communicate directly with these businesses through direct mail, Dixon welcome packets, and phone calls. Encourage them to participate in relevant City-sponsored and Chamber-sponsored activities;
- Improve the business license information system so it can more effectively be used for analytical purposes;
- Improve/maintain cooperation between the following key local organizations and the City. The community itself consists of tremendous economic development resources that should be tapped. Even if cooperation is now excellent, the new Coordinator and other City staff should make it a point to meet and develop relationships with:
 - The Dixon Chamber of Commerce and its 200+ members;
 - The Dixon Downtown Business Association;
 - SEDCORP, including Life Sciences and other committee memberships;
 - EDD (growing in importance as welfare-to-work programs develop);
 - The local PIC (growing in importance as welfare-to-work programs develop);
 - UC Davis, including its Biotechnology Program, the Chancellor’s office, and its business/community relations functions;
 - Solano Community College (effective vocational training and retraining will be an important future issue for all communities, especially with welfare-to-work programs);
- Support and expand the small business RLF;
- Continue the Economic Development Action Team (EDAT) program. That program, involving mutual problem-solving meetings between City Department heads and project applicants at the pre-application and initial application stage, is an extremely effective permit streamlining tool;
- Announce the City Economic Development Coordinator’s availability as a resource to help local businesses with their individual survival, retention and expansion needs. As specific problems and business climate issues are addressed, arrange ample press coverage. Spread credit among team members. (Started in May 1998).
- Consider a regulatory reform program similar to that outlined in Section 3.5;
- Establish a Dixon Business Assistance Resource Team, (i.e. a pre-arranged set of community leaders who are experts on various business subjects) which can be drawn from to assist as needed. Use the available services of the Chamber, the Small Business Development Center, the Revolving Loan Fund, SCORE and others. The Team is intended to be the response network for problems and

issues brought to the attention of the City's Economic Development Coordinator. Depending on the issue(s) to be addressed, the following expertise may be needed. Ad hoc project teams would be formed as needed, and would consist of 2-10 members from the Team. Team members from the private sector must understand beforehand that their expertise will be used for the community good and not the private benefit of the business.

In addition, this team can be drawn from to advise the City on such issues as:

- Working with landowners interested in developing their property;
- Creating a phased property development strategy;
- Promoting spec space, especially spec office space;
- Working with the Planning Department to improve the permit process;
- Recommending incentives;
- Recommending prioritized marketing strategies.

Table I4
Dixon Business Assistance Resource Team

Specialty	Specialty
Economic Development Coordinator	SEDCORP Executive Director
City Manager	Solano Community College
Community Development Director	Training and job agency
Other EDAT Team members	The Superintendent of Schools
The RLF program director	The SBDC
A contractor	Local realtor
The publisher of the local newspaper	California Trade and Commerce Agency
A Downtown Business Association rep.	A Chamber representative
A representative from the Water Agency	
A large employer	
A service company	
A lodging industry representative	
Local land owner	
Local business suppliers	
A banker	
A transportation representative	
A commercial insurance agent	
The owner of a local radio station	
A manufacturer	
A small business leader	
A retail leader	

- Track individual assistance projects on ACT!® or other off-the-shelf contact information tracking system. To make mailing and database exchange easier, purchase a program that is compatible with existing databases in use by relevant organizations (e.g. business license tracking by Finance, SEDCORP's prospect control system, etc.). Tracking will greatly aid memory, reporting, identifying trends, and in publicizing activities;
- For individual small business assistance needs, consider establishing an agreement with the SBDC

so they are the contracted small business response and assistance entity;

- Work closely with the Dixon Chamber of Commerce on planning and implementing these recommendations. Support the Chamber's programs and events through attendance and in-kind and cash support. The Chamber should be able to supply business names, relevant information on the needs of the City's businesses, and should provide much in-kind support for the City's economic development programs;
- Finalize the City's incentive program, which has been outlined in Dixon's 1995 Economic Development Plan. At this point because of Dixon's expected growth and its natural attractiveness to industry, it is more important to publish a clear, all-inclusive description of existing incentives in the City's marketing materials than it is to create a set of new incentives. In the second year, the City can study incentives offered by other communities in the region and attempt to match them as closely as possible. Redevelopment authority, which is unfortunately limited primarily to Dixon's downtown area, is currently the most powerful incentive for developers;
- Publish an accurate, all-inclusive fee schedule in City materials and on the City's web site;
- Continue to develop the overall economic development program in a way that builds momentum. Existing businesses and business prospects recognize and respond to communities that have a clear and positive direction;

3.5 LOCAL REGULATORY REFORM

The first goal in the Dixon 1995 Economic Development Plan is maintaining a customer service orientation. This is an excellent primary goal, because the City's service ethic is a key direct external indicator of the City's overall business climate. The ability of a local government to respond quickly to the needs of business is critical, especially in a city like Dixon, which does not have a large or dramatic set of incentives. Businesses get their first-hand experiences in dealing with the City via the permit process. Therefore, in communities such as Dixon, reforming permit and compliance processes and publicizing those improvements is one of the most visible ways to improve the business climate.

Survey after survey in the early 1990's indicated that businesses consider permit and regulatory costs to be among the top factors impacting the overall business climate. Although businesses seldom make a location decision primarily on ability to permit, government's attitude toward business is repeatedly ranked as one of the most important tie-breakers in location decisions, especially when the other major factors are equal. Those communities which can improve the clarity of their requirements and their fairness, reasonableness, timeliness, and just plain courtesy and professional demeanor will have a competitive advantage over those communities which do not improve. The issue is perceptual to a large degree. Government officials must truly believe business is important to the well being of the community and treat businesses respectfully.

Having an efficient permit process is even more important when trying to retain or attract “footloose” companies, such as office/laboratory users (e.g. biotech firms), which can locate almost anywhere because they are not constrained to locations which offer intensive urban infrastructure systems. The clarity of requirements, and the responsiveness and attitude of the local government is an essential factor to a business owner’s perception of the business climate overall.

What Companies Look For

Companies do not typically consider the regulatory process until after they design their product or service, and until after they determine what type of facility and process is needed to create that product/service competitively. Then the company will want to know:

1. What agencies issue permits (every involved agency)?
2. What are those permits (complete set)?
3. What are the permit requirements (including cost and space requirements)?
4. Is the staff friendly and helpful?
5. What is the permit fee (total cost determined up front)?
6. How long will processing take (time is money)?
7. What conditions can be expected (consistent with standard practice)?
8. Who enforces the permit after approval (monitoring requirements)?
9. How is enforcement done (self-monitoring, annual fee, spot inspection, etc.)?
10. Is enforcement consistent with the permit conditions and/or applicable code?
11. Is enforcement consistent from company to company?
12. Is enforcement consistent between agencies (e.g. fire, OSHA, Environmental Health)?

The company has the responsibility to provide adequate information to the applicable agencies. But the company also has the right to know the above information prior to submitting an application.

Dixon’s regulatory reputation

The business survey (Chapter 4) indicated a satisfied business population among Dixon’s existing companies (although some problem areas were identified for the City to address). In general, informational materials, staff attitudes and responsiveness, ability to meet review deadlines, and/or inspection procedures appear similar to competing areas. This is acceptable, but unremarkable. The

City needs a competitive advantage over other communities that have better highway locations (e.g. Sacramento, West Sacramento and Woodland for office and distribution targets), universities (e.g. Davis for technology attraction), and other attractive features (e.g. waterfronts, airports, military bases). Dixon can distinguish itself, especially since there are few other incentives the City has to offer applicants. Dixon should seek a reputation as the most responsive I-80 corridor community. Dixon should: 1) institute a permit streamlining program as outlined below; and 2) promote its improvements as part of the overall marketing effort.

Common Complaints With Easy Remedies

Every community has the ability to improve its regulatory processes. The following two areas are often easy, effective ways to make dramatic improvements at low cost:

- Reviews being conducted at a level higher than necessary. Government entities, including state legislatures, city councils and planning commissions, often tend to micro-manage. Most communities therefore have a set of permits that require discretionary review but that should be ministerial. The City of Dixon should review its ordinances and seek opportunities to delegate review to staff. For instance, according to Dixon's sign review ordinance, all signs must be reviewed by the Planning Commission, whether or not the sign meets all conditions of the ordinance. Reviewing all signs is a waste of staff and Commission time. The Planning Director/Building Inspector should be delegated the authority to review signs, with clear criteria for when direct Commission review is appropriate. An example of effectively delegating review occurred in the City of Fremont. Fremont decided to allow homeowners to self-certify that they had working smoke/fire alarms in their residences. The City saved countless time/costs by eliminating the need for an inspector to visit every new or remodeled home in Fremont.
- Staff Attitude. Community permitting, public works and building inspection departments are typically stressful environments, especially in growing communities such as Dixon. Heavily-worked staffs can, over time, get irritated by irate customers, be less helpful, work less effectively and begin missing deadlines, and inadvertently withhold critical information. In pressure-cooker situations, time and trouble will be minimized if staffs view the applicant as collaborator and not the opposing side. The friendly collaborator-applicant will be more helpful, courteous, and will assist the review. An experienced developer-applicant that understands Dixon's review process is more likely to submit a complete application the first time, and is more likely to be open and helpful. In response,

review staffs should be proactive, making sure the applicant clearly understands the strong and weak points of his/her application, by quickly informing applicants about delays and missing information, and by inviting applicants in to discuss possible remedies to out-of-code elements. Other organizational changes can include more staff, fewer steps in the review process, project managers assigned to trouble-shoot difficult cases, fast-tracking criteria, etc. A regulatory reform program can be launched. The “Local Government Permit Streamlining Strategies” handbook is a good source of reform ideas.

Regulatory Reform Program

A regulatory reform program with a six-month window could be visibly launched to make immediate low-cost and longer-term improvements. Components can include:

- Ensure that applicants get consistent, courteous treatment. Conduct follow-up surveys to find out first-hand what business thought while the experience is still fresh in the permittee’s mind.
- Establish an in-house committee to systematically review existing ordinances, to identify the key permit and enforcement problems companies are facing, and to recommend specific changes.
- While the committee is working, individual staff members should look for opportunities to make continuous improvements that simplify the process and shorten review times. Examples in other communities include taking appointments for plan checks, having plan examiners always available at certain hours during the day, establishing a one-stop permit process, and putting up signs soliciting comments. Improvements such as these should be aggressively publicized.
- Ensure that clear permit application guidelines, rules and fee schedules are written, published and administered.
- Use the services of the California Trade and Commerce Agency, Office of Permit Assistance (including OPA’s local permit streamlining handbook, “Local Government Streamlining Strategies”), the Cal EPA One-stop Permit Center Program and others for ideas and methodologies.
- Develop an expedited or fast track process for important projects.
- Consider a one-stop, permit coordinator, or other techniques.
- Consider establishing a Total Quality Management effort.

4. BUSINESS SURVEY

A mailout business survey was sent to all 570 businesses with business licenses in Dixon. The survey asked businesses to describe themselves, and assess Dixon as a business location in a number of topical areas (see Appendix A for a copy of the survey instrument). The business registrants come from all industries, including home businesses. However, the business license list did not identify the type of business, therefore the survey results relied on self-identification. Overall, 118 businesses, or about 20 percent of the total, responded to the survey. These survey respondents accounted for a total of just over 800 jobs, which is also about 20 percent of the estimated 3,930 total jobs in Dixon (see Table 15).

Compared with the 1995 employment estimated by the Association of Bay Area Governments (ABAG), the survey respondents are fairly representative of the overall mix of businesses in Dixon. Among the retail, services, and manufacturing/wholesale trade businesses, the survey sample represents one-quarter to 30 percent of the employment in Dixon for these respective industries. The one industry group which did not generate a significant response is agriculture. An analysis of the survey results follows.

4.1 CHARACTERISTICS OF BUSINESS SURVEY RESPONDENTS

- Most of the businesses responding to the survey are well-established, with over two-thirds of them in business longer than 5 years. Over one-fourth of the survey respondents have been in business between 10 and 25 years, while 12 percent of them have operated longer than 25 years. Less than 9 percent of the respondents have been in business one year or less, while about one-fourth of the businesses surveyed have been in operation between one and five years (see Figure 1).
- As shown in Figure 2, the two largest business categories are services and retail, with nearly half of the survey respondents in the services category.
- The industry categories of construction, manufacturing, wholesale, and finance, insurance and real estate (FIRE), each made up between five and eight percent of the total responses.
- Of the businesses surveyed, over half of them were sole proprietorships, while about a quarter of them were corporations, and 15 percent of them were partnerships.
- None of the businesses surveyed identified themselves as franchises or divisions.

Table I5

Dixon Business Survey Tabulation Results

Years in Business			Type of Business		
One year or less	10	8.8%	Construction	6	5.1%
Over 1 yr. to 2 yrs.	7	6.2%	Manufacturing	9	7.6%
Over 2 yrs. to 5 yrs.	22	19.5%	Transportation	3	2.5%
Over 5 yrs. to 10 yrs.	28	24.8%	Wholesale	6	5.1%
Over 10 yrs. to 25 yrs.	32	28.3%	Retail	25	21.2%
Over 25 yrs.	14	12.4%	Finance/Ins./Real Estate	7	5.9%
Total Responses	113	100.0%	Service	54	45.8%
Type of Organization			Other	8	6.8%
Sole proprietor	63	56.3%	Total Responses	118	100.0%
Partnership	17	15.2%	Employment by Type of Business		
Franchise	0	0.0%	Construction	38	4.7%
Division	2	1.8%	Manufacturing	267	33.2%
Corporation	30	26.8%	Transportation	39	4.9%
Subsidiary	0	0.0%	Wholesale	81	10.1%
Total Responses	112	100.0%	Retail	161	20.0%
Number of Full-time Employees			Finance/Ins./Real Estate	10	1.2%
0	33	28.4%	Service	183	22.8%
1	26	22.4%	Other	25	3.1%
Over 1 to 2	16	13.8%	Total Responses	804	100.0%
Over 2 to 5	22	19.0%	Industry Perception		
Over 5 to 10	7	6.0%	In growth period	40	34.8%
More than 10	12	10.3%	Stable	59	51.3%
Total Responses	116	100.0%	In recession/downturn	16	13.9%
Average FT Employees	5		Total Responses	115	100.0%
Median FT Employment	1		Number of Part-Time Employees		
N = 116			0	52	44.8%
Total Number of Employees			1	27	23.3%
0	17		Over 1 to 2	13	11.2%
1	24		Over 2 to 5	14	12.1%
Over 1 to 2	9		Over 5 to 10	8	6.9%
Over 2 to 5	22		More than 10	2	1.7%
Over 5 to 10	14		Total Responses	116	100.0%
More than 10	16		Average PT Employment	1.82	
Total Responses	102		Median Employment	1	
Current Employment Status			N = 116		
Hiring	16	15.5%	Anticipated Hiring In The Next 1-3 yrs.		
Stable	82	79.6%	Yes	51	45.5%
Laying Off	5	4.9%	No	37	33.0%
Total Responses	103	100.0%	Unsure	24	21.4%
Type of Facility			Total Responses	112	100.0%
Industrial	20	19.0%	Floor Area		
Office	41	39.0%	1,000 and under	26	27.7%
Retail	33	31.4%	over 1,000 to 2,000	29	30.9%
Flexspace	5	4.8%	over 2,000 to 5,000	19	20.2%
Residential	6	5.7%	over 5,000 to 10,000	7	7.4%
Total Responses	105	100.0%	over 10,000 to 50,000	10	10.6%
Acreage			over 50,000 to 100,000	3	3.2%
0.5 and under	16	38.1%	Total Responses	94	100.0%
over 0.5 to 1	9	21.4%	Average Floor Area:	6,526	
over 1 to 2	8	19.0%	Median Floor Area:	1,800	
over 2 to 5	5	11.9%	N = 94		
over 5 to 10	1	2.4%	Facility Tenure		
over 10 to 100	3	7.1%	Leased facility	56	54.4%
Total Responses	42	100.0%	Owned facility	47	45.6%
Average Acreage:	2.75		Total Responses	103	100.0%
Median Acreage:	2		Facility Occupancy		
N = 36			Shared facility	39	38.2%
Capital improvements in the last 3 years?			Sole occupant	63	61.8%
Yes	91	83.5%	Total Responses	102	100.0%
No	16	14.7%	Would you locate in Dixon now?		
Unsure	2	1.8%	Yes	75	74.3%
Total Responses	109	100.0%	No	6	5.9%
Plan to expand?			Unsure	20	19.8%
No	95	80.5%	Total Responses	101	100.0%
Yes	23	19.5%	Plan to relocate?		
Reasons for Relocation			No	100	84.7%
Larger facility	23	56.1%	Yes	18	15.3%
New product line	7	17.1%			
Cost reduction	5	12.2%			
Moving specific activity	1	2.4%			
Changing labor force	1	2.4%			
Other	4	9.8%			
Total Responses	41	100.0%			
Source: ADE					

FIGURE I

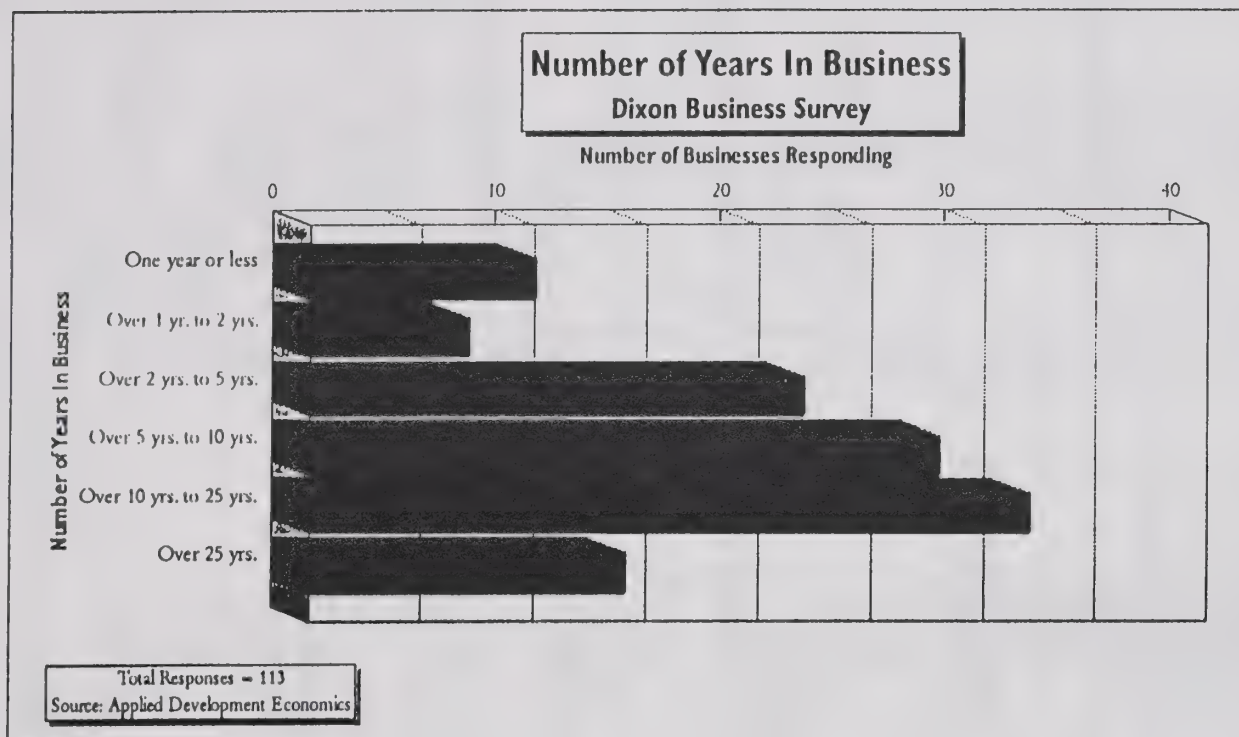
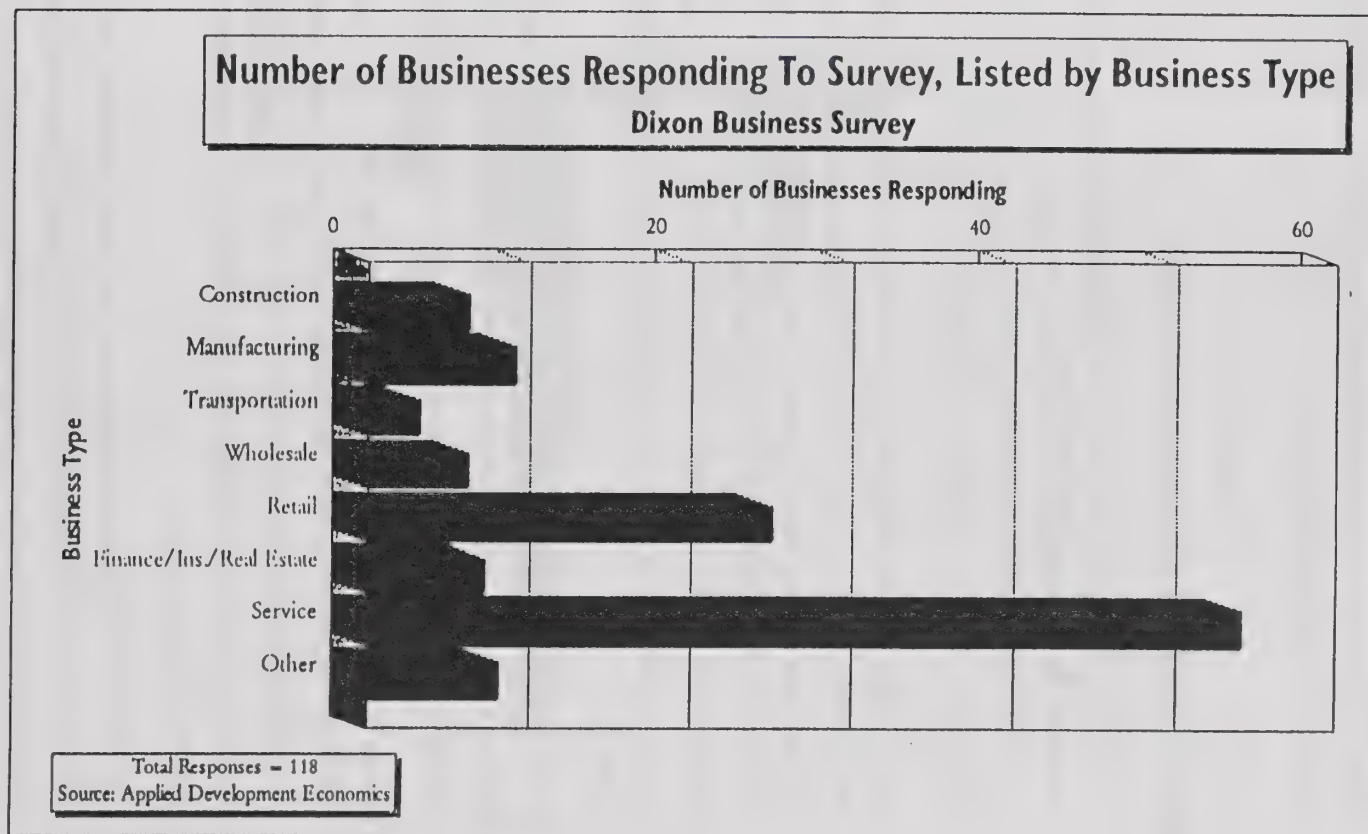


FIGURE 2



- Over half of the survey respondents had either one or no full-time employees. About ten percent of the respondents said that they had ten or more employees.
- About 45 percent of the survey respondents had no part-time employees, while one-fourth of them reported one part-time employee.

4.2 INDUSTRY PERCEPTION AND ANTICIPATED HIRINGS

- Most of the businesses surveyed had a positive outlook for their particular industry, with 35 percent of them reporting their industry in a growth period. Over half of the respondents said that their industry was stable, while only 14 percent of them viewed their industry in a downturn.
- This perception of business outlook varied considerably depending on the type of industry that the businesses represent. Manufacturing/distribution firms had the most positive outlook for their particular industry, with 80 percent of them viewing their industry as growing. 31 percent of retail/services respondents viewed their industry as growing, while 53 percent of them saw the industry as stable. 67 percent of construction and transportation respondents saw their respective industries as stable, while one-third of them saw these industries in a decline (see Figure 3).
- In regard to current employment status, 16 percent of the Dixon businesses responding said that they were hiring, while about 80 percent of them were stable with their employment. Less than 5 percent of survey respondents were laying off employees (see Figure 4).
- Broken down by industry, the employment status was also largely stable, albeit with some exceptions. 40 percent of construction firms in the survey reported layoffs, while half of the manufacturing/distributing firms were in a hiring mode. Among the retail/services businesses responding, 12 percent of them identified themselves as hiring, while over 86 percent of them reported stable employment.
- As for anticipated hiring in the next one to three years, the outlook was even more positive. Over 45 percent of the businesses surveyed anticipated hiring during this time period, while one-third of them did not anticipate hiring, and the remaining 21 percent were unsure as to their future hirings.
- Among individual industries, manufacturing/distribution firms were the most optimistic in regard to projected hirings. 79 percent of the survey respondents in this category anticipated hiring new employees in the next one to three years. There was considerably more uncertainty

among the other industries. 43 percent of the retail/services firms anticipated new hirings, while 34 percent did not, and the remaining 22 percent were unsure as to future hirings (see Figure 5).

Figure 3

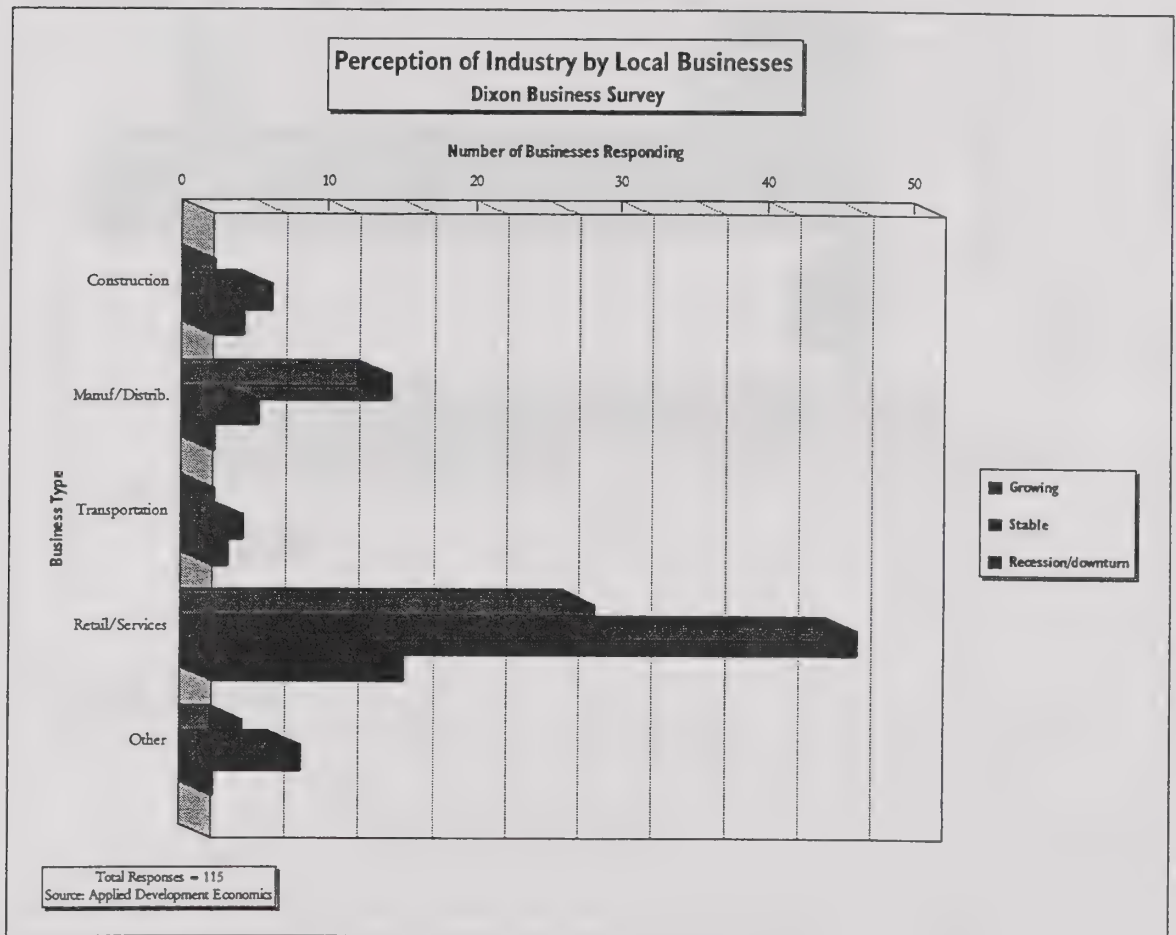


Figure 4

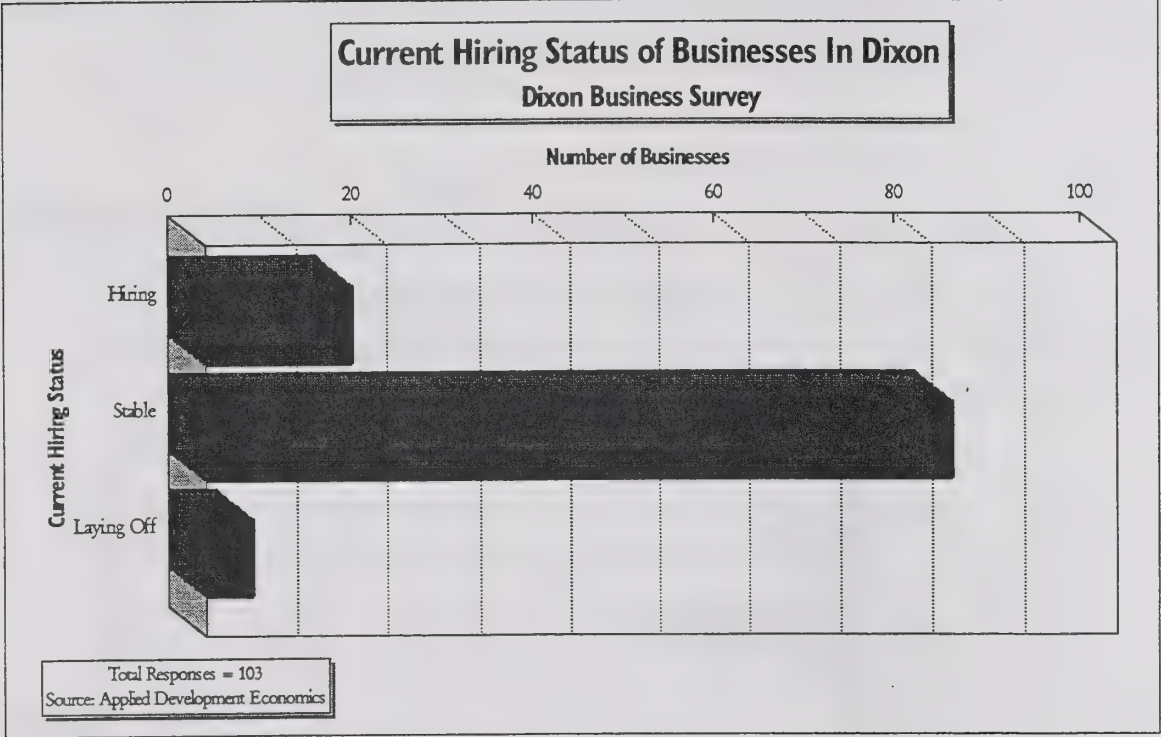
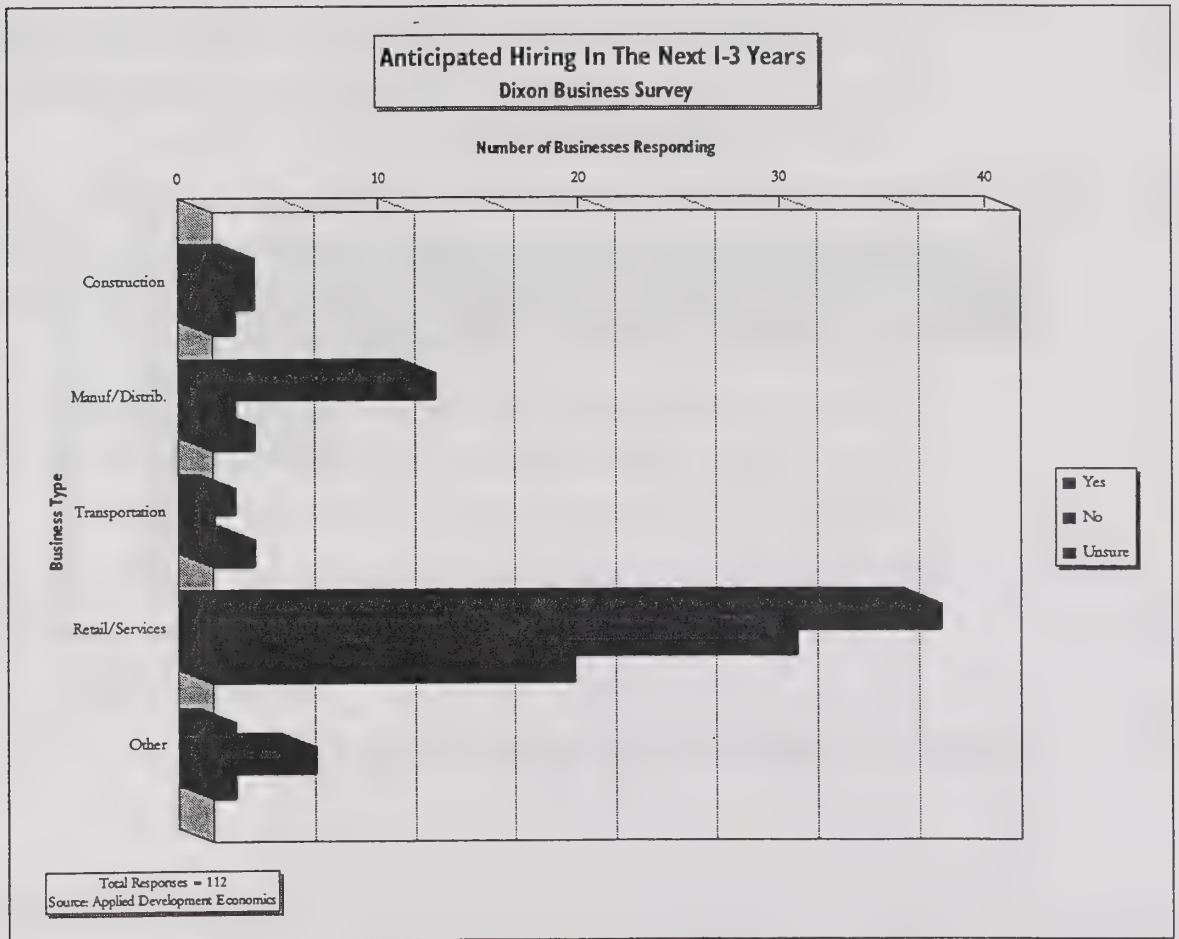


FIGURE 5



4.3 FACILITIES

- Over two-thirds of the surveyed businesses identified their facilities as either offices or retail spaces. Another 19 percent of the respondents worked out of industrial spaces, while about 10 percent identified their facilities as either flex spaces or residences.
- Over three-fourths of the surveyed businesses occupied spaces under 5,000 square feet, with 28 percent of them working out of spaces under 1,000 square feet. About 11 percent of the survey respondents had facilities with floor areas between 10,000 and 50,000 square feet, while 3 percent utilized spaces larger than 50,000 square feet.
- The lot sizes varied, however 59 percent of the businesses responding occupied lot sizes of one acre or less. The lot sizes for over 90 percent of the responding businesses were five acres or less, while 7 percent of them had lot sizes over ten acres in area.
- About 54 percent of the survey respondents indicated that they lease their facilities. In addition, 62 percent of the responding businesses were sole occupants in their facility.

4.4 DIXON AS A BUSINESS LOCATION AND RELOCATION PLANS

- The majority of businesses responding in Dixon indicated that they planned to stay in Dixon. Moreover, as shown in Figure 6, about 84 percent of them said that they had made capital improvements to their business in the past three years.
- Dixon as a business location mostly garnered positive reviews from businesses. 74 percent of the businesses surveyed indicated that if starting anew, they would locate in Dixon. 20 percent of the respondents were unsure whether they would locate in Dixon now, while only 6 percent said that they would not locate in Dixon.
- About 20 percent of the businesses surveyed indicated that they had expansion plans, while 15 percent of them indicated that they planned to relocate in the near future. The businesses indicating a desire to relocate were mostly positive about Dixon as a business location though, with nearly two-thirds of these businesses saying that they would locate in Dixon if picking a location now. (See Figure 7)

Figure 6

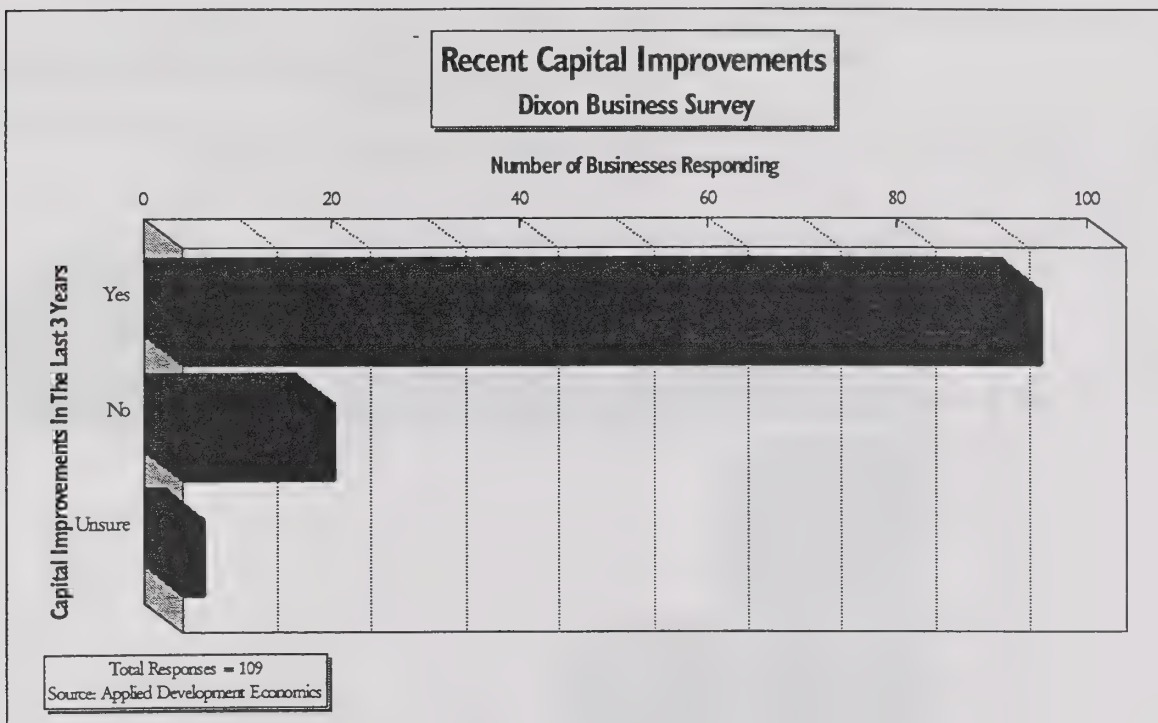
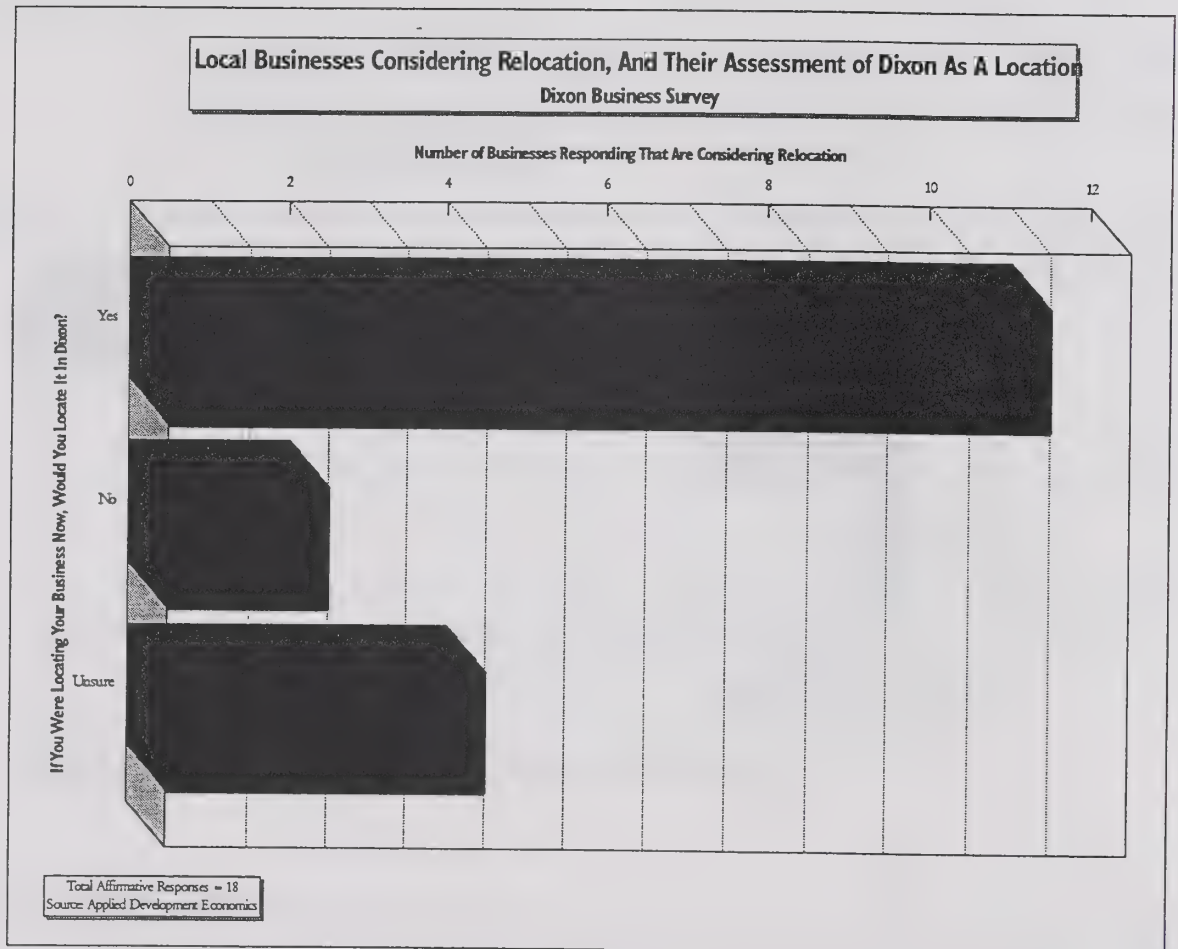
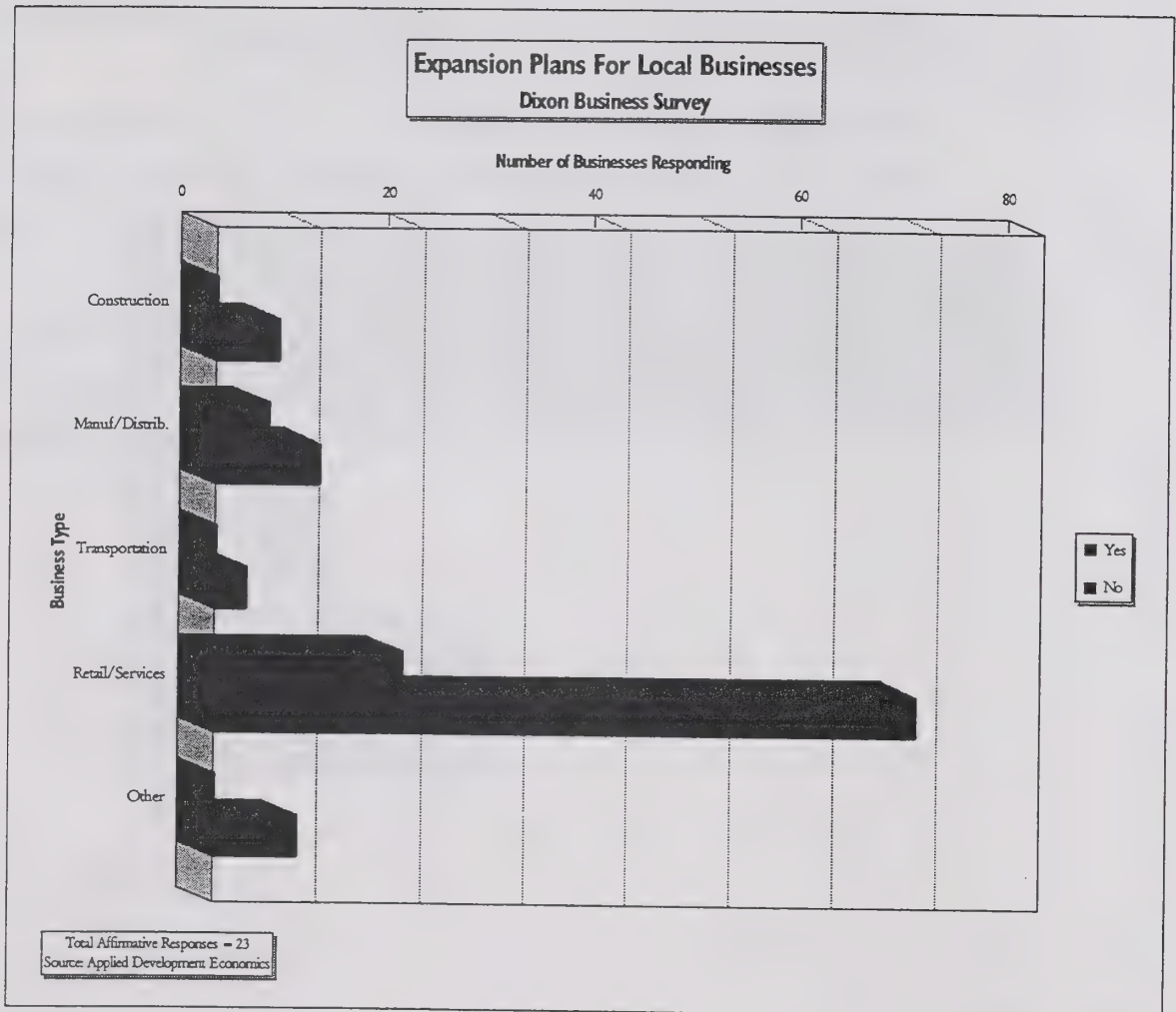


FIGURE 7



- Among individual industries, the highest percentage of businesses with expansion plans was reported by the manufacturing/distribution industries, in which one-third of the survey respondents said they planned to expand. About 21 percent of the retail/services businesses in the survey reported expansion plans (see Figure 8).
- The industry with the highest percentage of surveyed businesses with relocation plans was construction, with one-third reporting plans to relocate from their existing facilities. Only 13 percent of manufacturing/distribution respondents, and 16 percent of retail/services respondents planned to relocate.
- The majority of businesses indicating that they planned to either expand or relocate wanted larger facilities. Another 17 percent of them indicated that they were expanding their range of products and/or services, while 12 percent wanted to move to a lower cost location.

FIGURE 8



5. ECONOMIC BASE ANALYSIS

5.1 INTRODUCTION

This section of the report describes the current economy in Dixon and provides a regional context for economic development in the City. Opportunities for employment growth and business development in Dixon stem in large measure from trends experienced throughout Solano County and in other nearby counties as well.

The economic base of a city or region is comprised of the businesses that market their goods and services primarily outside the local area. This business activity draws income and wealth into the area, which in turn supports local-serving retail and service businesses and jobs. Economic base businesses typically include manufacturing firms, wholesale operations, mining, and visitor-serving businesses. Often agricultural producers export outside the local region and are part of the economic base, although a portion of the food is consumed locally. If they are large enough, construction firms and a variety of business services and professional service corporations may be included in the economic base. In San Francisco, for example, many financial services corporations have national or worldwide headquarters in the City and are part of the city's economic base. In areas supporting medical research facilities, health services may be part of the economic base. Thus, while there may be some flexibility in the way the composition of the economic base is defined, the central characteristic of economic base businesses is that they primarily serve customers outside their local region.

The importance of the economic base is in the multiplier effects it creates to support the local population. Income generated from sales outside the area recirculates locally to support a wide variety of additional jobs in the community. This leads to a strong and diverse tax base which supports community services and enhances the quality of life.

5.2 DIXON'S ECONOMY AND LABOR FORCE

It is estimated that Dixon currently supports nearly 4,500 jobs, based on data available from major employers and estimates by ABAG. This is about 3.5 percent of the County job base, which matches the 3.5 percent share the City has of the County labor force, or employed residents as measured by ABAG. On a net basis, about 25 percent of the City labor force must commute out of town to their jobs, which is consistent with the proportion of County residents that work outside of Solano County.

Dixon's employment is heavily weighted in economic based sectors including manufacturing, wholesale, and agriculture. While Dixon has 3.5 percent of the County's total job base, it has 11 percent of the County's manufacturing and distribution jobs. This is a very favorable share and indicates that Dixon is operating from a solid jobs foundation. Table 16 shows the estimated payrolls corresponding to each economic sector in the City. The manufacturing/wholesale sector contributes proportionally higher wages than do most of the other sectors. It is estimated to provide nearly 40 percent of total wages, while representing about 36 percent of the jobs in the City. The "Other" category, which includes construction businesses, transportation, utilities and government workers, generally provides higher wages as well. In contrast, agricultural production (as distinct from food processing industries which are included in manufacturing), retail, and services contribute a lower proportion of total wages in relation to their job figures.

As noted above, the importance of economic base industries is not only the higher wages they offer, but also the higher multiplier effects they create. Table 17 shows employment multipliers for a number of the industries that are represented in Dixon. The figures show how much additional employment is created in Solano County for each job in these industries. The food processing and agriculture industries lead the list in Solano County, but the other manufacturing industries are also well higher than the retail trade and services sectors shown at the bottom of the table. The higher multipliers reflect the fact that these industries create more income which is spent in local retail and service businesses.

Dixon's labor force compares very favorably to the countywide group as well. Table 18 shows that the proportion of managerial, professional and technical workers living in Dixon grew between 1980 and

1990 very similar to the growth countywide. While Dixon has more agricultural workers than the County as a whole, it saw more stability in its manufacturing production workforce than the County, whose proportion of precision production and craft occupations dropped three full percentage points between 1980 and 1990.

Table 16

Dixon Employment and Payrolls

	Estimated jobs		Estimated Payrolls	
	1998	Percent Distribution	1998 (000's)	Percent Distribution
Mfg/Wholesale	1,625	36.2%	\$47,596	3.9%
Ag/Mining	735	16.4%	\$13,995	11.7%
Retail	765	17.0%	\$19,667	16.5%
Services	765	17.0%	\$17,935	15.0%
Other	600	13.4%	\$20,179	16.9%
Total	4,490	100.0%	\$119,373	100.0%

Sources: ADE, Inc., based on data from ABAG Projections 98 and IMPLAN ES202 data files.

Table 17

**Selected Employment Multipliers
for Solano County**

Livestock/Poultry	1.70
Hay and Pasture	1.95
Meat Products	1.71
Canned Food	2.02
Construction	1.50
Wood Products	1.34
Pharmaceuticals	1.56
Plastics	1.35
Masonry and Glass	1.44
Fabricated Metal Products	1.37
Electronic Equipment	1.50
Medical Instruments	1.32
Wholesale Distribution	1.35
Retail Trade	1.25
Services	1.31

Source: CA Trade and Commerce Agency

Table I8
Percentage of Workers by Occupation

Occupation	Dixon		Solano		CA	
	1980	1990	1980	1990	1980	1990
Managerial and professional specialty	22.3%	22.9%	19.3%	24.2%	25.1%	28.6%
Technical, sales, and administrative support	30.6%	31.9%	31.6%	33.3%	32.6%	32.4%
Service	10.1%	12.1%	15.6%	14.3%	12.6%	12.4%
Farming, forestry, and fishing	6.1%	5.3%	2.3%	2.0%	2.8%	2.7%
Precision production, craft, and repair	15.6%	13.0%	17.0%	14.0%	12.3%	11.1%
Operators, fabricators, and laborers	15.4%	14.8%	14.2%	12.3%	14.5%	12.8%

Notes: TCPU: Transportation, Communications, and Public Utilities; FIRE: Finance, Insurance, and Real Estate

Sources: ADE, 1980 Census, 1990 Census

Table 19 shows in which industries Dixon residents were working in 1980 and 1990. More Dixon workers were engaged in retail businesses in 1990 than in 1980, while in the County as a whole, services was the biggest growth sector. Dixon's trend may reflect the enormous growth in retail businesses in nearby Vacaville, where a number of Dixon residents have found jobs. More recent labor force data are not available, but interviews with community leaders suggest that in addition to local and regional businesses, about ten percent of Dixon workers are employed at U.C. Davis and another ten percent work at Travis Air Force Base. While many of the commuters head to the Bay Area for jobs, about ten to fifteen percent appear to work in the Sacramento area.

Overall, Dixon's population is slightly younger than the County population (Table 20) and it is heavily concentrated in the prime working age category of 25-44 years. Table 21 compares the educational attainment of the workforce. Dixon has a solid representation of college and high school graduates.

5.3 SOLANO COUNTY'S ECONOMIC BASE

Dixon is part of the Solano County economy, and to a large degree is both reflective of and dependent on trends occurring across the county as a whole. In Solano County, the economic base has historically been centered on agriculture (although military spending has also been a significant source of local income). Other significant industries include concrete production, metal fabrication, wholesale trade, and petroleum refining. Currently, it is diversifying into biotechnology, electrical equipment, and a variety of specialty manufacturing such as photographic equipment and sporting goods.

In analyzing employment growth trends, it is useful to categorize business sectors into four groups as shown below (Figure 9). The upper two squares are comprised of the most heavily concentrated parts of the economic base - the well established industrial sectors in the County. In the upper right corner, are those industries that are growing. They are the most important parts of the local economy, because not only are they the source of much of the existing income in the region, but they are growing and are likely to be the largest source of future jobs as well.

Table I9
Percentage of Workers by Industry

	Dixon		Solano		CA	
	1980	1990	1980	1990	1980	1990
Agriculture, forestry, and fishing	6.8%	6.5%	2.4%	1.9%	3.1%	3.0%
Mining	0.0%	0.0%	0.4%	0.2%	0.4%	0.3%
Construction	5.3%	6.8%	6.5%	6.7%	5.7%	6.6%
Manufacturing	13.9%	11.7%	17.5%	11.6%	20.3%	16.2%
TCPU	6.4%	7.4%	8.1%	8.4%	7.1%	6.4%
Wholesale trade	4.3%	2.9%	3.4%	2.7%	4.4%	4.4%
Retail trade	17.0%	20.5%	18.5%	17.2%	16.5%	15.6%
FIRE	7.1%	5.1%	6.3%	6.3%	7.1%	7.3%
Services	32.2%	32.2%	27.3%	36.0%	30.3%	36.1%
Public administration	7.0%	6.7%	9.6%	8.9%	5.1%	4.2%

Notes: TCPU: Transportation, Communications, and Public Utilities; FIRE: Finance, Insurance, and Real Estate

Sources: ADE, 1980 Census, 1990 Census

Table 20
Educational Attainment

	Dixon	Solano	CA
Less than 9th grade	11.1%	6.0%	11.2%
9th to 12th grade, no diploma	12.0%	11.3%	12.6%
High school graduate (or equivalent)	26.5%	26.8%	22.3%
Some college, no degree	25.8%	27.9%	22.6%
Associate or bachelor's degree	19.3%	22.7%	23.2%
Graduate or professional degree	5.3%	5.3%	8.1%

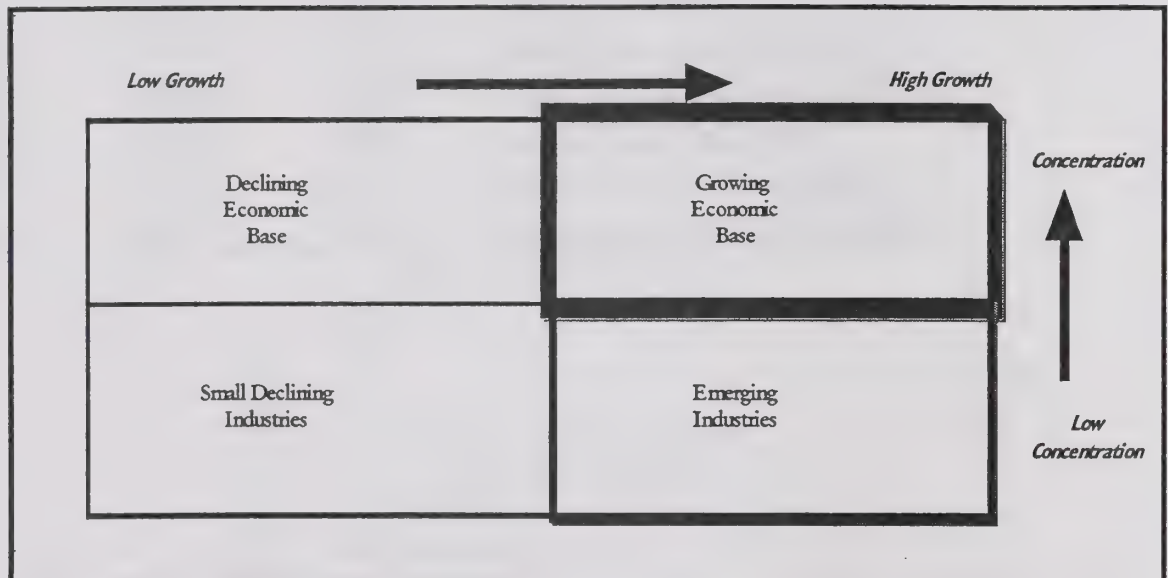
Sources: ADE, 1990 Census

Table 21
Persons by Age

	Dixon		Solano		CA	
	1980	1990	1980	1990	1980	1990
0-4	10.2%	8.9%	8.6%	8.7%	7.2%	8.0%
5-19	27.6%	25.0%	25.5%	22.7%	23.5%	21.0%
20-24	8.2%	6.1%	10.1%	7.2%	10.0%	8.2%
25-44	31.5%	36.9%	31.2%	36.5%	29.9%	34.9%
45-64	15.8%	15.4%	16.9%	16.6%	19.3%	17.4%
65-74	4.2%	4.4%	4.8%	5.2%	6.2%	6.3%
75 and over	2.5%	3.3%	2.8%	3.0%	3.9%	4.2%
Median age	27.0	30.7	27.8	31.0	29.9	31.7
Total persons	7,541	10,401	338,476	340,421	23,667,902	29,760,016

Sources: ADE, 1980 Census, 1990 Census

FIGURE 9
INDUSTRY GROWTH MATRIX



In the upper left hand corner are the industries that are large currently, but have suffered employment losses. These industries should be the subject of business retention activities in your economic development program. There may be industry-wide problems or problems with in the individual businesses. Or perhaps the employment losses reflect a restructuring that eventually will strengthen the competitiveness of the industries and result in even greater income growth down the road. But these industries bear analysis and assistance where it can be provided.

The lower part of the table are the smaller industries. On the right hand side are those that are growing rapidly. We characterize these as emerging industries, and many of the them will constitute the future economic base of the County. These industries should produce rapid employment growth although the aggregate numbers may be small.

Finally, in the lower left hand quadrant are the industries that are small and getting smaller. In the overall scheme of things, it is probably not wise to spend limited economic development resources trying to improve the lot of these companies.

The next figure (Figure 10) shows the large industries in the County that are growing, those that we would put in the upper right hand box in the previous chart. They include food processing, some limited household and concrete products and a variety of transportation and wholesale/broker operations. Biotechnology, wood products, furniture and plastic products are recent additions to this list in the last several years.

FIGURE 10

Growing Economic Base Industries In Solano County

FOOD PROCESSING Canned, frozen and preserved food Grain mill products Sugar and confectionery products	TRANSPORTATION SERVICES Trucking and courier services, except air Water transportation services Air transportation, nonscheduled
WOOD CONTAINERS AND FURNITURE	WHOLESALE DISTRIBUTION Wholesale lumber, other construction materials Wholesale machinery, equipment and supplies Wholesale misc. durable goods Wholesale paper and paper products Wholesale groceries and related products Wholesale farm product raw materials
CLEANSERS AND COSMETICS	
CONCRETE AND PLASTER PRODUCTS	
PLASTIC PRODUCTS	
METAL PRODUCTS Fabricated structural metal products Misc. fabricated metal products Construction, materials handling equip. General industrial machinery and equipment	FINANCIAL AND REAL ESTATE SERVICES Commodity contracts brokers and dealers Trusts
BIOMEDICAL	

Source: ADE, data from MIG ES202 County Files

Note: Growing economic base industries are defined as growing industries with job growth between 1991 and 1994 that outperformed the rest of Calif. and had a concentration of employment higher than the state as a whole.

The following two figures show the emerging industries in the County and it is clear that there are a wide variety of businesses growth opportunities in the region. The first (Figure 11) is focused on manufacturing industries, and they include additional food processing, apparel, paper, rubber, and a range of metal products manufacturing. Also included are electrical equipment, aircraft parts, medical instruments and a range of consumer goods manufacturing.

Most of the industries are currently relatively small in Solano County, but they have grown faster here over the past several years than they have grown statewide. This means that Solano County is a promising location for these businesses; efforts should be made to support further expansion.

The next figure (Figure 12) shows other types of businesses that also are emerging in the County. As with the economic base industries, they include transportation, communications, wholesale, and financial services, as, well as a variety of business and professional services such as computer programming advertising and management consulting.

These last two figures represent a fairly long list of potential business development opportunities in Dixon.

FIGURE II

Emerging Manufacturing Industries In Solano County

FOOD PROCESSING	ELECTRICAL EQUIPMENT
Dairy products	Electric transmission and distribution eq.
Bakery products	Communications Equipment
	Electronic components and accessories
MISC. APPAREL	Misc. electrical machinery, equipment
PAPERBOARD CONTAINERS AND BOXES	AIRCRAFT AND PARTS
RUBBER PRODUCTS	MEDICAL INSTRUMENTS
Fabricated rubber products, nec	
INDUSTRIAL MACHINERY	MISC. MANUFACTURING INDUSTRIES
Metalworking machinery and equipment	Photographic equipment and supplies
Special industry machinery	Dolls, toys, games, sporting goods
	Misc. manufacturing industries
GLASS	Photographic equipment and supplies
	Dolls, toys, games, sporting goods
COATING AND ENGRAVING SERVICES	Misc. manufacturing industries

Source: ADE, data from MIG ES202 County Files

Note: Emerging industries are defined as growing industries with job growth between 1991 and 1994 that outperformed the rest of Calif. and had a concentration of employment lower than the state as a whole.

FIGURE 12

Other Emerging Business Sectors in Solano County

TRANSPORTATION SERVICES Airports, flying fields and terminal services Arrangement of freight and cargo trans.	FIRE, MARINE AND CASUALTY INSURANCE
COMMUNICATIONS SERVICES Telephone communications Radio and television broadcasting stations	BUSINESS SERVICES Advertising Mailing, reproduction, commercial art
WHOLESALE DISTRIBUTION Wholesale commercial equipment Wholesale metals and minerals Wholesale hardware, plumbing, heating eq. Wholesale drugs Wholesale apparel Wholesale misc. nondurable goods	COMPUTER PROGRAMMING, DATA PROCESSING
FINANCIAL SERVICES Functions related to depository banking Business credit institutions Security brokers Services allied with commodities or securities	HEALTH SERVICES Medical and dental laboratories
	PROFESSIONAL SERVICES Accounting, auditing, bookkeeping Management and public relations services

Source: ADE, data from MIG ES202 County Files

Note: Emerging industries are defined as growing industries with job growth between 1991 and 1994 that outperformed the rest of Calif. and had a concentration of employment lower than the state as a whole.

5.4 SOLANO COUNTY GROWTH COMPARED TO THE STATE

Solano County had a 1996 employment total of 137,720, which represents a slight 0.4 percent decline from 1990 (Table 22). This decline was due primarily to the loss of military jobs, included in the government category in the table, and the recession which affected the construction industry. The state, in contrast, suffered declines in all but three economic sectors, for a total loss of 0.9 percent (Figure 13).

In terms of its composition of industries, the bulk of the county economy ties into retail trade and services, followed by construction despite the loss of more than 1,500 jobs since 1990. The next largest industry groups are manufacturing and finance, insurance and real estate businesses. Agriculture has relatively little employment associated with crop production despite its predominance as a land use in the County. However, nearly one-third of the manufacturing employment shown in Table 22 is in food processing.

In terms of percentage growth, the largest employment gain was in wholesale trade, which grew by 28.5 percent between 1991 and 1996. The three other industry groups with double digit percentage growth in employment during the same period are agriculture, transportation/communications/utilities and services. Even with mostly modest job growth, Solano County performed very well in nearly all industry groups relative to the rest of California. Except for agriculture and government (mainly military), all of the industry groups in Solano County outperformed the rest of the state in job growth.

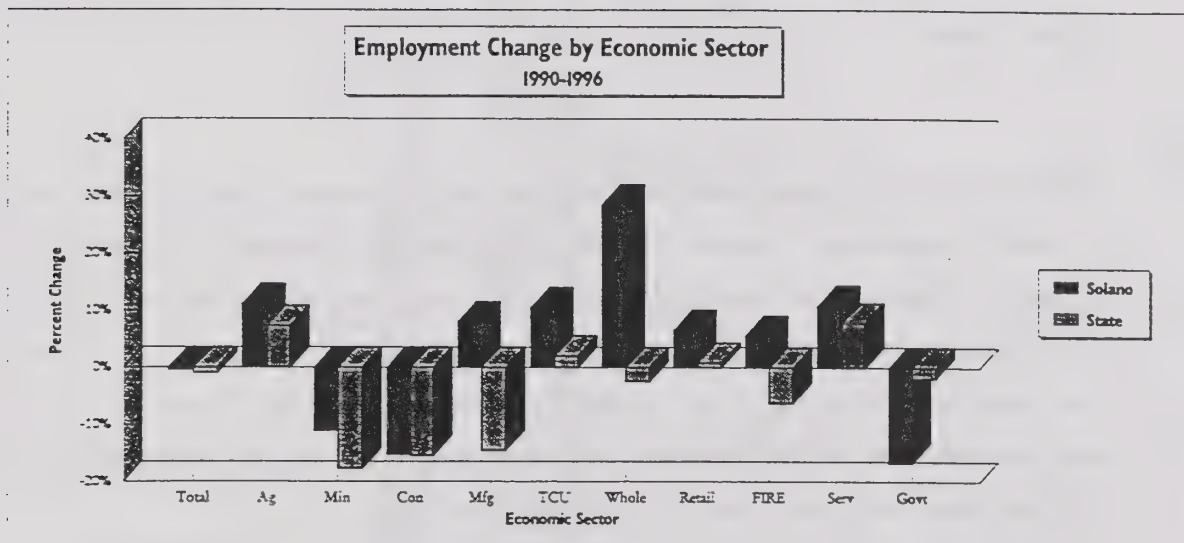
Table 22

Comparison of Employment Growth Trends, 1990 to 1996
Solano County and California

Solano County					
Industry	1990 Employment	1996 Employment	% of 1996 Employment	Empl. Change 1990 to 1996	% Change 1990 to 1996
All industries	137,720	137,140	100.0%	(580)	-0.4%
Agriculture, Forestry and Fishing	3,410	3,790	2.8%	380	11.1%
Mining	450	400	0.3%	(50)	-11.1%
Construction	10,180	8,630	6.3%	(1,550)	-15.2%
Manufacturing	7,910	8,540	6.2%	630	8.0%
Transportation, communications, utilities	4,670	5,160	3.8%	490	10.5%
Wholesale trade	3,580	4,600	3.4%	1,020	28.5%
Retail trade	26,620	28,360	20.7%	1,740	6.5%
Finance, insurance and real estate	7,190	7,590	5.5%	400	5.6%
Services	31,550	34,980	25.5%	3,430	10.9%
Government	42,140	35,090	25.6%	(7,050)	-16.7%
California					
Industry	1990 Employment	1996 Employment	% of 1996 Employment	Empl. Change 1990 to 1996	% Change 1990 to 1996
All industries	17,028,810	16,872,130	100.0%	(156,680)	-0.9%
Agriculture, Forestry and Fishing	546,540	586,320	3.5%	39,780	7.3%
Mining	56,660	46,640	0.3%	(10,020)	-17.7%
Construction	914,090	773,060	4.6%	(141,030)	-15.4%
Manufacturing	2,229,430	1,905,260	11.3%	(324,170)	-14.5%
Transportation, communications, utilities	722,070	736,950	4.4%	14,880	2.1%
Wholesale trade	858,250	837,360	5.0%	(20,890)	-2.4%
Retail trade	2,699,650	2,720,460	16.1%	20,810	0.8%
Finance, insurance and real estate	1,453,150	1,362,600	8.1%	(90,550)	-6.2%
Services	5,117,460	5,516,850	32.7%	399,390	7.8%
Government	2,431,500	2,386,630	14.1%	(44,870)	-1.8%

Source: ADE, data from Woods & Poole Economics 1997 State Profile

Figure 13



5.5 COMPARISON WITH OTHER COUNTIES IN THE REGION

Although it is a part of Solano County, Dixon also has a regional economic context that is influenced by parts of both the San Francisco Bay Area and Sacramento regions. The other counties in this more regional economic perspective include Napa, Sacramento, Yolo, and Contra Costa counties (Table 23). With a 1996 employment of 634,050, Sacramento County has the highest employment total within this region. Contra Costa County had a 1996 employment of 420,880, while Yolo and Napa counties had employment bases of 98,910 and 64,140, respectively. As shown in Table 23, the smaller counties showed better growth in key sectors such as manufacturing and wholesale, than did the larger counties, consistent with the experience in Solano County.

Figure 14 shows the growing economic base industries in Sacramento County. These businesses are heavily concentrated in services rather than manufacturing. However, Figure 15 indicates that a number of smaller manufacturing industries had good growth during this period, despite the overall loss of manufacturing jobs in the County. A similar picture emerges in Yolo County, with the exception of the strong growth in wholesale distribution activity (Figure 16). Among the emerging industries in Yolo County is computer programming and data processing (Figure 17), which explains the growing market for office space in Davis.

Table 23

Regional Employment By Industry Group
Sacramento, Yolo, Contra Costa, and Napa Counties, 1990 to 1996

Industry Group	Sacramento County		Yolo County		Contra Costa County		Napa County	
	1996 Employment	% Change 1990 to 1996	1996 Employment	% Change 1990 to 1996	1996 Employment	% Change 1990 to 1996	1996 Employment	% Change 1990 to 1996
All industries	634,050	1.7%	98,910	22.9%	420,880	5.3%	64,140	6.9%
Agriculture, Forestry and Fishing	9,850	7.1%	5,670	-2.7%	7,070	11.2%	5,370	0.4%
Mining	630	12.5%	290	3.6%	3,070	-7.3%	170	183.3%
Construction	31,980	-18.1%	4,470	0.7%	27,350	-5.7%	4,160	-11.7%
Manufacturing	30,610	-3.6%	6,840	0.3%	28,880	-12.6%	7,710	17.7%
Transportation, communications, utilities	22,920	3.3%	7,170	46.3%	25,230	14.9%	1,790	20.9%
Wholesale trade	23,150	-7.5%	7,130	41.5%	13,840	2.8%	1,820	34.8%
Retail trade	103,510	1.5%	15,970	32.1%	74,520	1.8%	10,380	0.6%
Finance, insurance and real estate	59,080	6.2%	5,560	24.7%	49,150	6.3%	3,600	-4.3%
Services	186,520	13.9%	20,710	25.7%	141,540	13.6%	20,820	16.2%
Government	165,790	-4.9%	25,090	24.6%	50,240	-2.0%	8,320	-2.0%

Source: ADE, data from Woods & Poole Economics 1997 State Profile

file: regoemp.wk4

Figure 14

Growing Economic Base Industries In Sacramento County

FISH HATCHERIES	FINANCIAL SERVICES
	Holding offices
FOOD PROCESSING	Trusts
Bakery products	Misc. investing
Sugar and confectionery products	
PARTITIONS AND SHELVING	INSURANCE SERVICES
	Life insurance
STONE AND CLAY PRODUCTS	Accident and health insurance and medical plans
Structural clay products	Title insurance
Cut stone and stone products	Pension, health and welfare funds
	Insurance agents, brokers and service
ELECTRIC TRANSMISSION EQUIPMENT	BUSINESS SERVICES
	Credit reporting agencies, adjustment, collections
BUS TRANSPORTATION	Misc. equipment rental and leasing
Bus charter service	Misc. business services
	PROFESSIONAL SERVICES
WHOLESALE DRUG DISTRIBUTION	Accounting, auditing and bookkeeping services
	Management and public relations services

Source: ADE, data from MIG ES202 County Files

Note: Growing economic base industries are defined as growing industries with job growth between 1991 and 1994 that outperformed the rest of Calif. and had a concentration of employment higher than the state as a whole.

Figure 15

Emerging Industries In Sacramento County

AGRICULTURAL SERVICES	WHOLESALE TRADE
Crop services	Wholesale commercial equipment
Farm labor and management services	Wholesale metals and minerals
Forestry services	Wholesale misc. durable goods
	Wholesale petroleum and petroleum products
FOOD PROCESSING	INDUSTRIAL MACHINERY
Fats and oils	Farm and garden machinery and equipment
Beverages	Metaworking machinery and equipment
	Special industry machinery, ex. metalworking equip.
APPAREL AND TEXTILES	General industrial machinery and equipment
Men's and boys' suits, coats and overcoats	Computer and office equipment
Women's misses' and juniors' undergarments	
Misc. fabricated textile products	ELECTRICAL EQUIPMENT
	Electrical industrial apparatus
WOOD PRODUCTS AND FURNITURE	Communications equipment
Sawmills and planing mills	Electronic components and accessories
Wood containers	Misc. electrical machinery, equipment, supplies
Household furniture	
Office furniture	TRANSPORTATION EQUIPMENT
Public buildings and related furniture	Motorcycles, bicycles and parts
Misc. furniture and fixtures	Misc. transportation equipment
PRINTING	INSTRUMENTS
Manifold business forms	Surgical, medical and dental instruments
Blankbooks, looseleaf binders and bookbinding	Ophthalmic goods
	Photographic equipment and supplies
CHEMICAL PRODUCTS	Watches, clocks, clockwork devices and parts
Drugs	
Paints, varnishes, lacquers, enamels and allied	MISC. MANUFACTURING INDUSTRIES
Agricultural chemicals	Musical instruments
Misc. chemical products	Dolls, toys, games, sporting and athletic goods
	Misc. manufacturing industries
METALS AND METAL PRODUCTS	MISC. RUBBER PRODUCTS
Steel works, blast furnaces and rolling and finishing mills	
Primary smelting and refining of nonferrous metals	MISC. LEATHER GOODS
Misc. primary metal products	
Cutlery, handtools and general hardware	POTTERY
Metal forgings and stampings	
Coating, engraving and allied services	FINANCIAL SERVICES
TRANSPORTATION SERVICES	Business credit institutions
Water transportation of passengers	Security brokers, dealers and flotation companies
Air transportation and air courier services	Services allied with commodities or securities exchange
Arrangement of freight and cargo transportation	
	COLLEGES, PROFESSIONAL SCHOOLS

Source: ADE, data from MIG ES202 County Files

Note: Emerging industries are defined as growing industries with job growth between 1991 and 1994 that outperformed the rest of Calif. and had a concentration of employment lower than the state as a whole.

Figure 16

Growing Economic Base Industries In Yolo County

WOOD PRODUCTS AND FURNITURE Wood buildings and mobile homes Partitions, shelving, lockers and fixtures	WHOLESALE TRADE Furniture and homefurnishings Metals and minerals, except petroleum Hardware, plumbing and heating equipment, supplies Misc. durable goods Paper and paper products Groceries and related products Farm product raw materials Petroleum and petroleum products Beer, wine and distilled alcoholic beverages Misc. nondurable goods
CHEMICAL PRODUCTS Drugs Agricultural chemicals	
CONCRETE, GYPSUM, AND PLASTER PRODUCTS	
HEATING EQUIPMENT	
MISC. FABRICATED METAL PRODUCTS	TRANSPORTATION SERVICES Trucking and courier services, except air Public warehousing and storage Airports, flying fields and terminal services
MISC. TRANSPORTATION EQUIPMENT	

Source: ADE, data from MIG ES202 County Files

Note: Growing economic base industries are defined as growing industries with job growth between 1991 and 1994 that outperformed the rest of Calif. and had a concentration of employment higher than the state as a whole.

Figure 17

Emerging Industries In Yolo County

FOOD PROCESSING

Bakery products
Misc. food preparations and kindred products

GIRLS', CHILDREN'S AND INFANTS' OUTERWEAR

WOOD PRODUCTS AND FURNITURE

Sawmills and planing mills
Household furniture
Misc. furniture and fixtures

PRINTING AND PUBLISHING

Newspapers: publishing, or publishing and printing
Commercial printing

RUBBER AND PLASTIC PRODUCTS

Fabricated rubber products, nec
Misc. plastic products

INDUSTRIAL MACHINERY

General industrial machinery and equipment
Computer and office equipment
Misc. industrial and commercial machinery and equip.

ELECTRICAL EQUIPMENT

Electric lighting and wiring equipment
Electronic components and accessories

LABORATORY INSTRUMENTS

TOYS AND SPORTING GOODS

TRANSPORTATION SERVICES

Arrangement of passenger transportation
Arrangement of freight and cargo transportation
Misc. services incidental to transportation

ELECTRIC SERVICES

WHOLESALE TRADE

Wholesale electrical goods
Wholesale chemicals

FINANCIAL SERVICES

Security brokers, dealers and flotation companies
Title abstract offices

BUSINESS SERVICES

Advertising
Mailing, reproduction, commercial art, stenography
Personnel supply services
Misc. business services

COMPUTER PROGRAMMING, DATA PROCESSING

HOSPITALS

EDUCATION

Colleges, universities, professional schools
Schools and educational services, nec

MISC. SERVICES

Source: ADE, data from MIG ES202 County Files

Note: Emerging industries are defined as growing industries with job growth between 1991 and 1994 that outperformed the rest of Calif. and had a concentration of employment lower than the state as a whole.

6. I-80 CORRIDOR MARKET ANALYSIS

This section addresses the real estate market for the properties along the I-80 corridor in Dixon. The corridor includes not only the interchanges, but also much of the frontage along the freeway. Some of this property has been included in adopted specific plans, but no comprehensive analysis of its marketability has been completed.

The land market for commercial properties along the I-80 Corridor consists of a mixed demand for retail, highway service, office, industrial and distribution users. This market demand helps capitalize on the under supply of retail services, the purchasing power of people traveling along I-80, and the expanding transportation and distribution clusters that could be attracted to Dixon in greater numbers. Figure 18 shows various development areas along the freeway. The discussion below references this map in describing the market demand for each type of development.

6.1 RETAIL SERVICES

The existing data that has been prepared for Dixon indicates that properties along the freeway interchanges could support additional commercial services. Moreover, the demand for new retail services will be generated by interstate travelers who need highway oriented services. All of the freeway interchanges have a land supply that could accommodate more retailers.

Table 24 summarizes the retail market analysis that was prepared for Dixon in 1996 as part of the Downtown Revitalization Plan. The data indicates that Dixon's food stores, eating and drinking establishments, and gas stations have been successful. Spending from highway travelers has pushed sales among these store types above the Solano County averages. Eating and drinking establishment's capture \$7.65 million of surplus sales. Other outlets, food stores, and service stations capture an additional \$8.1 million of surplus spending. The majority of this extra

Figure 18

Major Commercial and Industrial Development Sites in Dixon

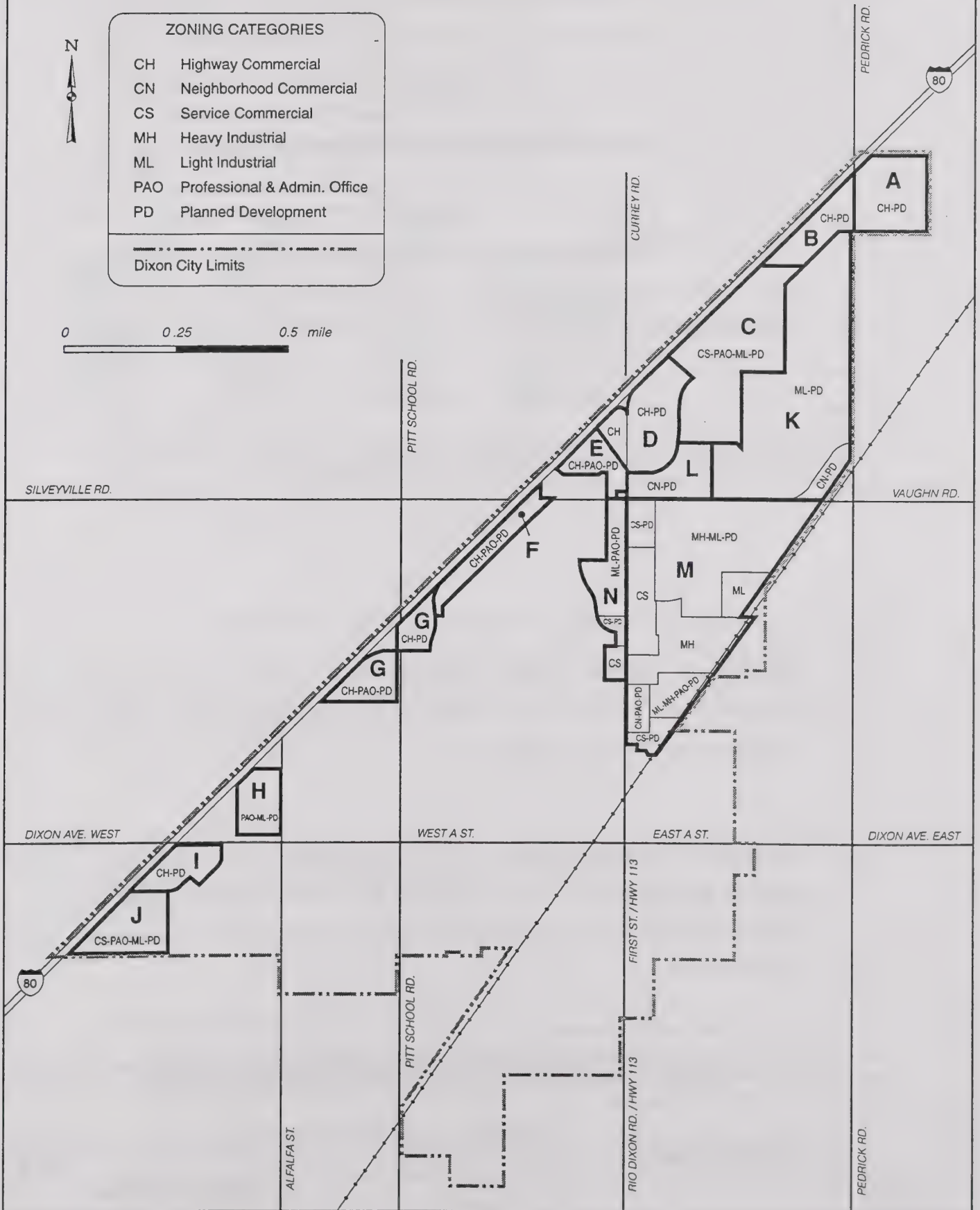


Table 24

Actual and Potential Taxable Sales Captured in Dixon

Retail Category	Potential Sales	Actual Sales	Difference
Other Retail Stores	\$24,376,311	\$14,185,000	(\$10,191,311)
Food Stores	\$5,902,278	\$8,901,000	\$2,998,722
Eating & Drinking	\$6,811,743	\$14,466,000	\$7,654,257
Building Materials & Farm Implements	\$5,885,947	\$3,478,000	(\$2,407,947)
Auto Dealers & Supplied	\$10,369,167	\$9,861,000	(\$508,167)
Service Stations	\$5,338,106	\$6,723,000	\$1,384,894
Other Outlets	\$20,389,160	\$24,132,000	\$3,742,840
Total	\$79,072,712	\$81,746,000	

Source: Crawford, Multari & Starr based on data published by State Board of Equalization

filename:sales

spending comes from I-80 travelers stopping in Dixon to purchase goods and services. The continued growth of retail in Dixon will rely on attracting additional freeway travelers to the City's freeway oriented commercial centers.

Approximately 120,000 people pass by Dixon each day on Interstate 80.¹ In comparison, Dixon's population amounts to only 13,000 people. So, the market is really the highway, and the challenge is to attract the highway travelers to stop in Dixon rather than other competitive places along Interstate 80.

¹ Caltrans traffic counts report that 94,000 vehicles per day pass by the Dixon Road interchange. This means that 47,000 vehicles travel each way on the freeway. A 1990 CMTC study indicates that each Solano County vehicle carries 1.28 passengers.

The data also indicate that Dixon suffers from significant retail sales leakages in the “other retail category”² (\$10.19 million), building materials (\$2.4 million), and auto dealers and supplies (\$0.51 million). Dixon’s leakages have primarily been lost to Vacaville where 1.87 million square feet of shopping center retail space has been built. A large number of well-known anchor tenants have been established in Vacaville including Mervyns, Wal-Mart, Target, Kmart, and Sams Club. Moreover, Vacaville’s retail supply includes a factory outlet center that consists of 130 stores with an additional future phase being planned.

The transformation of Vacaville into a regional retail destination started in 1988 with the establishment of the Factory Stores at Nut Tree (Phase 1). The Vacaville retail supply has continued to expand capturing a large share of the region’s retail spending, and becoming a shopping destination for Interstate 80 travelers. The success of Vacaville has established new shopping patterns among the region’s residents. Households from Dixon and neighboring communities routinely shop in Vacaville. It will be extremely difficult to break these shopping patterns and attract regional oriented retailers to Dixon.

The success of Vacaville continues to have a negative impact on Dixon’s ability to capture retail spending. Since 1990, Dixon’s total capture of retail sales declined from \$71.9 million³ to \$58.9 million in 1995. This amounts to a real loss of 18 percent during a five year period, with steady losses being recorded each year.

The sites along the freeway which appear to be best suited for retail commercial, visitor-serving uses are described briefly below (See Figure 18 for locations).

² For the purposes of protecting confidentiality Crawford, Multari, Starr combined the retail categories of apparel, general merchandise, drugs, packaged liquor, home furnishings, and appliances into one large store type category called “other retail stores.”

³ The number is adjusted for inflation and measured in \$1995.

Area A: Located on the Northeast corner of the Pedrick Rd. interchange, this area is proposed for the new Flying J Plaza. This is an important project for the City and undue delays in its completion could adversely affect the local business climate.

Area B: This area, 48.5 acres zoned Commercial Highway - Planned Development, is also owned by Flying J and is part of the Northeast Quadrant Specific Plan. Flying J may hold the property and sell it later rather than try to develop it themselves. Due to infrastructure constraints, the development of additional commercial highway uses in Area B may take ten or more years. Downzoning the property in order to allow less intensive commercial uses is not feasible because of the high price of land along freeway interchanges. The City's best option is to wait for market conditions to improve, and the infrastructure constraint problems to be resolved. Attempts to speed up the timetable for developing Area B will require subsidies in order to lower development costs and make the area more attractive to office users, or to allow distribution industries, for which there is market demand.

Area D: This freeway intersection has been largely rural and undeveloped with the exception of Cattleman's restaurant which is located on the southwest portion of the intersection. A fast-food restaurant has recently been built. The Northeast Quadrant Specific Plan and the existing zoning calls for this area to be used for highway commercial. The sixty acres in Area D may develop more slowly than the other interchanges because this interchange is in proximity to successful commercial developments at the neighboring interchanges. A successful commercial node has been developed at the Pitt School Road interchange. Moreover, the Flying J Plaza to the northeast is likely to be successful attracting between \$20 and \$30 million in annual sales when it is built. In addition, infrastructure improvements will need to be made at North First Street in order to make the interchange property competitive with neighboring interchanges. This will increase the costs of developing the area.

Area F: This is a strip of land between the freeway and residential development originally

designated for professional office light industrial uses. However, it has begun to develop in retail uses and the zoning has been changed to accommodate this development. As noted in the next section on the office market, professional office development would also be a desirable use in this area and the City should attempt to work with the property owners toward siting small sale office projects.

Area G: The Pitt School Road commercial corridor appears to be a successful commercial node where a shopping center, gas station, and food stores have been developed. The commercial users at Pitt School Road service both local residents and highway travelers. A commercial market study previously done for Dixon shows substantial spending leakages that could be captured by more commercial development in this area. It is recommended that the City actively recruit new retailers, and build out this area as a retail center.

Area I: Highway commercial uses have developed along the West A Street interchange. The development is less intensive than it is along Pitt School Road, but it also serves both residents and highway travelers. The properties in Area I can support more intensive commercial development that caters to residents and highway travelers.

Areas K,L,M,N: Each of these areas feature neighborhood commercial or service commercial zoning along Vaughn Rd. Amd North First Street.

6.2 OFFICE SPACE

Demand for office space is generated primarily by high technology research and development firms and by the business services sector. ABAG projects employment in these two sectors to grow by 6,630 jobs in Solano County between 1998 and 2010, which would be equivalent to growth in land demand of 180 acres. About 80 percent of this demand would center on the communities from Fairfield to Dixon, and this does not include growing demand in Davis and other communities in Yolo County.

Much of Dixon's land supply along the I-80 corridor carries flexible zoning designations that permit either office or industrial development. If all of the property designated for office were allocated to that

use, Dixon would have more than 20 percent of the land supply along the central and eastern I-80 corridor in Solano County (see upper part of Table 25). Assuming uniform growth in the corridor, Dixon could be expected to gain 25-30 acres of office development over the next 10-12 years.

However, Dixon's ability to capture its share of office development along the corridor will depend on the City's ability to compete with more developed office parks in the County. Dixon does not currently have an image among commercial real estate brokers as a business park location, but it does enjoy excellent locational characteristics to support office development. It is very close to U.C. Davis which supports significant research in biotechnology and other fields that create business opportunities in the region. Dixon enjoys relatively low land prices and should be an attractive choice for firms concerned about the higher cost of sites in Davis. Dixon also has the opportunity to attract smaller scale developments that do not fit well in the much larger Vacaville and Fairfield business parks.

Ideally, the City should strive to begin with a small scale multi-tenanted project that would create a presence and some momentum in the office market. It has been suggested that an agriculturally oriented biotechnology incubator would be ideal for Dixon. This would combine the City's agricultural base with high tech growth at a scale that capitalizes on its lower development and operating costs.

Demand for research and office space in and around U.C. Davis is small, but growing. Most current interest is centered around the agricultural biotechnology companies in Davis. Calgene and AgraQuest have both indicated they are searching for expansion room, and are looking in all communities around Davis. In addition, U.C. Davis will continue to expand its agricultural research capabilities near the University. The University and several Yolo County communities are collaborating to complete a biotechnology incubator feasibility study, and to find a suitable location from which an incubator can operate. If the study is thorough, it should consider Dixon in its search area, even though all those sponsoring the study are in Yolo County. It may be too late for Dixon to participate in that particular study, but the City can publicly register its interest, and if necessary can investigate on its own the feasibility of using an 8,000 square-foot space owned by First Northern Bank in Downtown Dixon. The SEDCORP Life Sciences Committee should be able to help Dixon recruit in the bio tech sector.

Table 25

Competitive Solano County Office and Industrial Sites

Industrial Areas	Size of Property	Acreage Left To Be Developed	# of Buildings Developed (Total)	Square Footage Built (Total)	Current Lease Price/sf	Current Land Price/sf	Character
OFFICE/INDUSTRIAL PARKS							
DIXON							
Northeast Specific Plan	101	101					Vaughn-Nelson Light and heavy Industrial Office Uses
Dixon Business Center	22	22					
Schooner Ridge	17	17					
Conco Business Park	23	23					
Other I-80 Corridor	173	173					
Subtotal	336	336					
VACAVILLE							
Vaca Valley Business Park	400	205	2	400,000	n/a	\$3.50 - \$5.00	Office/Research Park
Lagoon Valley Business Par	340	340	0	0	n/a	\$2.00 - \$4.00	Unimproved office park
Vacaville Business Park	288	205	2	130,000	n/a	\$1.50 - \$4.50	Tenants include Chiron
Subtotal	1,028	750					
FAIRFIELD							
Solano Business Park	250	70	14	2,300,000	n/a	\$3.00 - \$4.00	Higher end business park
Busch Corporate Center	250	200	12	365,000	\$.45 - \$1.25	\$3.00 - \$5.00	Office park includes Anheuser-Busch
Fairfield Corporate Commo	72	50	12	300,000	\$.60 - \$1.10	n/a	Office park
Subtotal	572	320					
TOTAL	1,936	1,406					
INDUSTRIAL/COMMERCIAL							
DIXON							
Dixon Commerce Center	90	87	2	600,000	n/a	\$1.35	Panattoni & Johnson Development SMARKS
Northeast Specific Plan	214	214					
Subtotal	304	301					
VACAVILLE							
Golden Hills Commerce Par	70	15	8	400,000	\$.24 - \$.30	\$1.25	Panattoni Development
FAIRFIELD							
Northlake Village	413	413	0	0	n/a	\$1.75-\$2.75	Raw land, no infrastructure
Tolenas Industrial Park	300	114	12	1,800,000	n/a	\$2.95	heavy industrial users
Farifield/Cordelia Industrial	13	10	1	220,000	\$.30	n/a	spec building being developed
Subtotal	726	537					
COUNTY							
Lambie Industrial Park	1,151	1,000	12	75,000	n/a	0.75	no utilities, heavy industrial users
TOTAL	2,251	1,853					

Source: Applied Development Economics based on data published in the Solano Business Journal, April 1997. Published data was updated through interviews with Phillip Garrett, Colliers International.

filename:supply2

Dixon needs to create an environment conducive to office development. It will be most successful at this by focusing on small business development initially. This creates an “infrastructure” of business services that can support larger developments.

Downtown Dixon can contribute to this effort by supporting small scale executive office suites that would encourage new business start-ups to locate in Dixon. One of Dixon’s greatest assets is its small town quality of life. Based on the survey reported earlier and other discussions with community leaders, the City is already gaining entrepreneurs based on its attractiveness as a place to live. Downtown is an important element of this small town atmosphere and should be integrated into the City’s larger economic development program. Although downtown will not return to its former role as the retail center of the community, ABAG projects an increase in demand for service businesses in Dixon equivalent to 180,000 square feet of office space by the year 2010. Clearly, there will be the need for small scale offices as well as business park developments to accommodate this demand.

Office sites along the freeway are described briefly below (see Figure 18).

Area C: Approximately 60 acres is zoned “CS-PAO-ML-PD.” The Northeast area specific plan targets this area for higher end professional/office park development. This is a relatively large development area for office use and would be best for a larger business park featuring a mix of office and light industrial uses. Its development potential is probably longer term, as the City is anticipated to start with smaller office developments in the short term.

Area E: This area is located outside the Northeast Quadrant Specific Plan. The zoning designates the area for professional office development. From a land use perspective, a professional office designation would be ideal for Area E, and the City should attempt to reserve the site for this type of development over the longer term.

Area F: While this strip of land between the freeway and residential development has begun

developing in retail uses, professional office development would be a highly desirable use as well, buffering new homes from the freeway noise. With the narrow configuration of the parcels, this property may be a good opportunity for smaller scale office developments.

Area N: This area includes the Schooner Ridge Business Park with 17 acres and the Conco Business Park with 23.3 acres. Both of these sites have flexible zoning allowing both office and industrial uses.

6.3 INDUSTRIAL/DISTRIBUTION SPACE

Dixon is located in an industrial market corridor that extends beyond the I-80 corridor in Solano County. On the periphery of the I-80 corridor Dixon also competes with the Napa area industrial parks for both manufacturing and distribution users. Woodland, West Sacramento and Stockton are also in competition with Dixon for distribution users.

As noted in the economic base analysis, Dixon already has a presence of manufacturing and distribution firms. Two canneries employ 550 persons. Three other manufacturers (Pacific Coast Building, Milgard Tempering, and Altec Industries) employ 250 persons. Seven remaining small manufacturers employ an additional 60 persons.

The distribution and transportation sector is dominated by Kragen with 270 employees. The remaining nine distribution firms employ another 110 persons. It is anticipated that the Gymboree facility will create more than 200 new jobs, and has about 75.⁴

Next to the Kragen facility is the Dixon Commerce Center, a 90-acre industrial area owned by the Panattoni & Johnson development company. The attraction of the Gymboree distribution facility to the Dixon Commerce Center demonstrates that Dixon can successfully compete with other jurisdictions for new distribution facilities.

⁴ Data collected from the ADE Dixon business survey and SEDCORP.

Dixon has an abundant supply of land to accommodate new manufacturing and distribution users (see lower part of Table 25). Eighty-seven acres still remain to be developed in the Dixon Commerce Center. This land is fully serviced and waiting to be developed with Panattoni & Johnson in place to facilitate the development process. Twenty-one acres are available at the Dixon Business Center, plus several available sites at the sixty-acre Dixon Industrial Park.

The City has recently expanded the supply of land that can be used for light industrial or professional office purposes. The preparation of the 643-acre Northeast Quadrant Specific Plan has designated another 320 acres of vacant land for conversion to light industrial or professional office uses. Essentially, the Specific Plan calls for the establishment of a contiguous industrial zone between Vaughn Road and Interstate 80. Despite the industrially designated land supply expansion the Northeast quadrant properties currently lack the basic infrastructure needed to attract users. Storm drainage, water, and sewer services are needed. An internal road and circulation system in the area is not yet built.

Dixon has had the most success recently in attracting distribution firms, and this appears to be the City's best short term opportunity. Distribution facilities are sensitive to development and planning fees. The actual costs of building and permitting a facility is an important consideration in choosing a specific location. Communities that can offer reduced development costs have a better chance of attracting distribution firms. In this regard, Dixon has fees that are comparable to other communities in the region. Development fees are difficult to compare, but generally the communities surrounding Dixon have fees of between \$3.50 and \$5.30 per square foot for a 100,000 square-foot industrial development. Dixon has costs that are similar to Davis.⁵ Vacaville has the most expensive building costs in the region, making Vacaville a non-competitor for distribution facilities. West Sacramento and Woodland all have lower development fee costs than Dixon.

⁵ A 100,000 square foot facility will incur \$4.35 per square foot development costs in Dixon and \$4.22 per square foot in Davis.

Distribution facilities are also sensitive to permit approval time frames. Because of the Economic Development Action Team (EDAT) and Dixon's willingness to work with applicants, Dixon has a satisfied developer/applicant clientele⁶.

ABAG projections show a growth in demand equivalent to about 960 acres in Solano County through the year 2010, of which about 540 would be in the central and eastern County. As shown in Table 25, the three cities along the eastern I-80 corridor, plus the County unincorporated areas, have more than 1,700 acres available for industrial and distribution uses. This does not include the substantial acreage intended for office uses, but which could support industrial development as well. Dixon should compete well for this demand and is hindered currently only by the lack of infrastructure at many of its larger industrial development sites.

Several of the development areas in Figure 18 should be mentioned in this context, recognizing that the City has a number of additional sites available in its industrial parks not immediately adjacent to the freeway.

Area H: This area is designated for professional office development, but is also suitably sized and located to support light industrial uses. If the City desires short term development of this site, it should emphasize industrial use of the property.

Area J: This sites carries a combined commercial, office and industrial zoning designations. The short term opportunities would be strongest from industrial/distribution sectors. There has also been some discussion in the community about attracting a regional serving commercial user such as Costco. Of course, the City should consider any proposal by a large regional retailer to use the site. However, such a possibility is less likely because of regional competition, particularly the regional, freeway-oriented retail shopping complexes that have been built in Vacaville.

Area K: The Northeast Specific Plan includes a total of 214 acres designated for industrial uses.

⁶ Interview with Mary McCarthy at SEDCORP.

The following is a summary of competing industrial and office land in the region.

Vacaville has four business parks with nearly 750 acres remaining to be developed.

- The Vaca Valley Business Park is an office/research park located on the I-80 and I-505 interchange. Tenants include Genentech and Kaiser Permanente. The asking price for land is more than twice the asking price at the Dixon Commerce Center. This park is competing for a different type of user than Dixon is currently attracting.
- The Vacaville Business Park is also an office/research park that has attracted Chiron as its most visible tenant. The asking price for land is also more than twice the asking price at the Dixon Commerce Center. Thus, this park is competing for a different type of user than is Dixon is currently attracting.
- The Golden Hills Commerce Park is Vacaville's closest competition to Dixon. Golden Hills is also a Panattoni development, and its land pricing is competitive to the Dixon Commerce Center. However, Vacaville's higher development fees make the park more expensive than Dixon. Only 15 acres remain which is enough space for only one or two new users.
- Lagoon Valley Business Park is raw land that has been zoned for industrial purposes. It has yet to be improved, and has positioned itself to be a future office/business park. The pricing and market strategy of the area will not place it in direct competition with Dixon.

Fairfield has six business parks with approximately 850 acres of land remaining to be developed.

- Tolenas Industrial Park is Fairfield's business area that is in closest competition to Dixon. Tolenas market strategy is to attract a variety of industrial and distribution users. A total of 1.8 million square feet has been built attracting some major users such as Ball Glass and Clorox. There are 114 acres still to be developed in Tolenas.
- Fairfield/Cordelia Industrial Park comprises only 13 acres and would also be competing with Dixon. A developer is building a "spec" building which demonstrates his confidence

in the market strength of the area.

- Three other business parks in Fairfield have positioned themselves to attract office users. The Solano Business Park, Busch Corporate Center, and Fairfield Commons are not competing with Dixon for similar businesses. There is still 320 acres of land remaining to be developed in these three business parks.
- Northlake Village is 413 acres of unimproved land that has been zoned for industrial purposes. It has yet to be improved. It remains to be seen if this area is in competition with Dixon.

Solano County has just one industrial park with more than 1,000 acres of land zoned for industrial development. The Lambie Industrial Park is located near Highway 12, between Suisun City and Rio Vista. Lambie is suitable for heavy industrial users, many of which would not be a desirable target for Dixon. Dixon has little land zoned for heavy industrial users, and is not competing with the Lambie Industrial Park for tenants.

Davis has approximately 80 acres of land zoned for industrial or light industrial purposes in different locations spread throughout the City. Although land is available, it is located away from the freeway, and scattered among smaller parcels, making assembly into one large industrial area virtually impossible. The size of parcels, and the scattered location means that Davis is not directly competitive with Dixon for the same type of business. The City of Davis wants to focus on research and related industrial start ups such as the biotechnology industry. Dixon has yet to develop a similar focus.

Woodland has been very successful at attracting distribution and manufacturing firms. Approximately 5.2 million square feet of distribution space were built there in the past few years. Major firms such as Target, Payless, James River, and Walgreens have established distribution facilities in Woodland as shown in Table 26. The basic reasons for Woodland's success in attracting distribution firms are summarized following the table.

Table 26

Inventory of Woodland Distribution and Manufacturing Facilities

Tenant	Size (sq.ft.)
Target Distribution Center	1,000,000
Payless Distribution Center	654,000
James River Distribution	567,000
Walgreens Distribution	461,000
Proctor & Gamble	432,000
Mazda Distribution	350,000
True Value Distribution	352,000
Tandy	157,000
Genco	140,000
Other Buildings Developed (1)	
Developer/Building Type	Size (sq.ft.)
Buzz Oats Enterprises/Warehouse	62,000
Buzz Oats Enterprises/Warehouse	190,000
Buzz Oats Enterprises/Warehouse	35,000
Hoffmann/Warehouse	76,000
Hoffmann/Warehouse	37,000
Hoffmann/Warehouse	43,000
JRH Biosciences/Bioscience Processing Facility	31,000
Skyline Homes/Plant	51,000
Pacific Grain/Rice Mill Plant	109,000
Buzz Oats Enterprises/Warehouse	320,000
Ochoa Enterprises/Manufacturing	10,000
Western Passage/Trucking and Distribution	65,000
Johnson's Trading Post/Warehouse	100,320
Total New Projects	5,242,320

Source: Applied Development Economics. Data collected from Panattoni & Johnson and the City of Woodland. Development summary staff reports, 1993 - 1997.

Note (1): Data is limited to buildings approved by the City between 1993 and 1997.

filename:wood2

- **Relatively low development fees.** Developers are cost sensitive, and Woodland with lower development impact fees attracts distribution type of users who try to keep their development costs to a minimum.
- **Adequate supply of industrial land.** Woodland has the advantage of having nearly 200 acres of industrial land remaining to be developed. This land essentially has adequate water, sewer, and storm drainage meaning that the area is prepared for new development. No major infrastructure issues need to be resolved in order to accommodate new industrial growth.
- **Location on I-5 Corridor.** Woodland's location on I-5 makes the City a good location for users seeking a north-south transportation corridor. Woodland also has good east-west access. In comparison, firms in Dixon and Solano County are primarily interested in the I-80 corridor.
- **Pro Growth attitude.** Woodland has successfully created a pro-business image. Businesses want to locate around other businesses, and have created a synergy that makes Woodland a hot market for development.

West Sacramento forms the eastern node of Dixon's competitive market area. It is a large city with distinct location advantages over Dixon, Woodland, and other Solano County competitors. West Sacramento is part of the Sacramento Metropolitan area which is one of the nation's high growth urban areas. The region is a desirable location with lower costs than other urban centers in California. West Sacramento itself, has a diversified business sector which makes the City attractive to many types of firms. The key strengths that make West Sacramento a good industrial location are summarized below.

- Multi-modal transportation systems (roads, air, ports) are available for product distribution throughout North America;
- Business incentives (Enterprise Zone, Free Trade Zone, Redevelopment) provide the City with tools to actively recruit new business prospects;
- Large work force is available to firms that locate in West Sacramento. The City's firms can recruit from a 400,000 person labor pool throughout the Sacramento metropolitan area;
- A pro-business attitude (the City has promoted growth and business since incorporation and has shown its willingness to deal);

- Southport, a new industrial area with 600 acres of land to develop with rail and port access. Otherwise the city has another 180-200 acres of undeveloped land remaining. There are 140 acres in Riverside Center, 20-40 acres in the Port Industrial area, and about 20 along the West Capitol corridor. Except in Southport, all land is in small lots of 25 acres or less, and land assembly is required to put together large projects.

6.4 SUMMARY OF DEVELOPMENT OPPORTUNITIES

Timing of Development in Northeast and Southwest Dixon

As discussed above, market pressures will drive development in the areas described in roughly the following order. Generally, the commercially zoned land around the interchanges will develop first, with the office park land between interchanges developing later. Of course, actual development will depend on many factors, including the landowner's needs, whether a user is attracted to the site, etc., as summarized in Table 27.

Table 27
Likely Order of Development along Interstate 80

AREA	DESCRIPTION	SPECIFIC PLAN	TIMING
A	Flying J	NE	Near-term
B	Flying J	NE	Mid-term
C	Office zoning	NE	Long-term
D	Hwy 113 @ US80	NE	Developing now
K,L	NE remainder	NE	From interchanges toward Center
E	Office zoning	--	Developing now as Hwy commercial
F	Strip between interchanges	--	Short-mid-term
G	Pitt Interchange	--	Developing now
H	Office zoning	--	Mid-long term
I	West A Interchange	SW	Short-term
J	Employment Center	SW	Mid- long term
	SW remainder	SW	Mid- long term
M	Industrial/Commercial	--	Developing now
N	Office/Industrial	--	Mid-term

7. JOB GROWTH POTENTIAL AND TIG BENEFIT

As stated in the July 1996 Community Development Block Grant application, expansion activities are expected (and are indeed occurring) in a number of business sectors, including manufacturing/distribution, visitor- and local-serving retail, business and professional services, and lodging facilities.

According to ABAG's 1996 projections, total natural job growth in Dixon is expected to be explosive, creating in the range of 125 jobs per year over the next fifteen years. Table 28 outlines expected natural job growth to 2010.

Table 28

Expected Job Growth in Dixon

1995	2000	2005	2010	CHANGE	ANNUAL %
3,930	4,650	4,920	5,820	1,890	2.6%

Source: ABAG 1998

Job growth generally creates the occupational mix shown in Table 29.

Target income persons tend to fill the non-managerial and non-professional categories, which represents roughly 77-78 % of all employment. Using only natural employment growth according to ABAG's projections, 98 TIG persons will find new jobs in Dixon per year (or about 1,465 jobs over the fifteen years between 1995 and 2010).

The activities outlined in this economic development program should improve Dixon's job creation effectiveness. The City, with its new City Economic Development Coordinator, should be able to

directly attract two new businesses per year that employ 20 people each that ordinarily would not have considered Dixon. Therefore, the new economic development program should create *31 new jobs for the TIG population each year.* -

Table 29

**Estimated Occupational Distribution for Selected Dixon
Business Expansion and Attraction Targets**

Business Type	Occupational Categories	
	Percent Non-TIG (Manager, Administrator, Professional, Technical)	Percent TIG (Sales, Clerical, Service Workers, Production, Ag)
Manufacturing	24.9	75.1
Food and Kindred	9.5	90.5
Publishing	33.3	66.7
Heating Equipment (metal fab)	11.5	88.5
Medical Instruments	19.9	80.1
Warehousing	6.2	93.8
Communications	25.3	74.7
Restaurants	6.3	93.7
Specialty Retail	17.0	83
Lodging	11.9	88.1
Business Services	26.9	73.1
Professional Services	64.1	35.9
AVERAGE	21.4	78.6

8. INFRASTRUCTURE FINANCING

8.1 LOCAL FINANCING

Dixon has established a number of financing programs to support economic development. These include a redevelopment project area, a CDBG-funded revolving local fund, an Industrial Development Fund, the North First Street Assessment District and major specific plans that outline how property owners and developers shall participate in infrastructure financing in these areas. As the brief discussion below indicates, each of these programs have limitations, and the City may need to consider using general fund monies in selected cases to stimulate signature economic development projects that meet specific goals of the City.

The Dixon redevelopment project area is centered on Downtown and includes properties along North First Street. The project area does not extend to the development areas along the freeway, but it can assist with infrastructure within its boundaries. Redevelopment contributed toward the improvements included in the North First Street Assessment District and has implemented street improvements and other projects in Downtown. During the current implementation plan cycle (1996-2000) the Agency has identified another \$2,695,000 in public improvements to be completed.

Dixon has an Industrial Development Fund, capitalized with funds initially provided by the Farmers Home Administration for development of the Dixon industrial park. Funds gained through resale of the industrial park properties have been used by the City for economic development program purposes, such as commitments for the local match with the CDBG revolving loan fund program.

Dixon has three approved specific plans (Northeast Quadrant, Southwest Quadrant, South Park), each of which has its own public facilities and services element. Each plan includes a discussion of needed water, sewer, drainage, streets and other public infrastructure. Each plan includes policies and conceptual plans for financing that infrastructure.

The Northeast and Southwest specific plans, which govern much of the development along the I-80 corridor, indicate that all infrastructure financing shall be the responsibility of the property owners, through such mechanisms as assessment districts, community facilities districts or City fees. Redevelopment is not available at these locations. The Northeast Specific Plan Area has been included in the North First Street Assessment District, which currently is funding about \$3 million in sewer improvements⁷, which is part of the \$31.7 million that will ultimately be needed to fund all infrastructure improvements in the Northeast Specific Plan Area⁸. A recent newspaper article indicated that assessments in Dixon add \$0.85 to \$1.10 per sq.ft. to land selling anywhere from \$2.00 to \$11.00 per sq.ft. without improvements⁹. The upper end of the range reflects prime highway commercial property, while the lower end applies to warehouse commercial sites. This level of assessment is similar to other new development in the region, and should not hinder Dixon's growth opportunities.

However, the City should take available opportunities to assist special "catalyst" developments, such as an office or R&D park, in order to help stimulate demand for this desired type of development in the short term. The assessment district approach will be effective over the long term, but there may be cases where the up front costs to support a development cannot be immediately financed through available assessments or bonds. The City may need to consider making an investment of City funds from the general fund for infrastructure to support specific projects of exceptional importance to the City.

8.2 STATE AND FEDERAL FUNDS

Other outside funding sources may be available to assist with appropriate business development projects of high priority to the City. The following discussion evaluates a set of programs that have been helpful to communities in the past. Some of the programs may not be well suited, or adequately funded to assist Dixon currently, but future funding cycles may shift the program priorities in ways that could be beneficial to the City.

⁷ Including the 36" trunk line south of Hall Park, but not including treatment plant upgrades.

⁸ Source: Morton & Pitalo, Inc.

⁹ Sacramento Business Journal, January 30, 1998, p. 25.

State Housing and Community Development Department (HCD) Small Cities Community Development Block Grant Program (CDBG)

This report is funded through a Planning/Technical Assistance (P/TA) grant from the State HCD. The Department also offers more substantial grants and loans that can assist with funding construction projects or other activities in support of business development and job creation. Allowable uses of these funds, which may be granted in amounts of up to \$500,000, include the following:

- Construction loans
- Loans for land acquisition
- Loans for onsite improvements
- Grants for publicly owned offsite infrastructure
- Working capital loans
- Equipment Purchase Loans
- Business start-up loans
- Grants for business incubators

The primary requirements include: 1) a specific business must commit to a certain level of job development for TIG workers over a 30-month period; and 2) the CDBG funds are necessary and appropriate for the project to proceed. The programs are intended to function as gap financing and a strict means test is applied to the business to ensure that it cannot complete the financial transaction with its own resources or funds from commercial lenders. Each community can receive up to \$870,000 per year in total CDBG funds, including P/TA grants, although no individual grant or loan can exceed \$500,000. The City received \$500,000 in 1996 to create its new Business Revolving Loan Program.

This program could be useful for Dixon in assisting catalyst projects in its professional office or business park areas. The market analysis in this Chapter has indicated that the first projects of this type will be critical in stimulating further demand for office development in Dixon. The CDBG program may be helpful in encouraging the first few businesses to locate in Dixon. It could be used in conjunction with (but cannot displace) the assessment district financing planned for the specific plan areas.

CDBG Project Opportunities

The following projects are specific candidates for future Community Development Block Grant Planning and Technical Assistance funds. Implementing these projects will help the city's economic development efforts as described in both the 1995 Economic Development Plan and this document:

- Evaluation/needs assessment for a small business incubator. Yolo County and UCD are currently conducting such an analysis for the biotechnology industry. When that study is complete, the City should evaluate whether it makes sense to conduct its own incubator feasibility for biotechnology, or for small business in general.
- Feasibility for reuse and redevelopment of specific buildings and/or areas within downtown.

The following project is a candidates for future Community Development Block Grant Project funds:

- As described in Chapter 6, the Northeast and Southwest areas will fill with new businesses in phases. Infrastructure is especially needed in the Northeast, north of Vaughn Road. When a large user or developer is found that wants to develop that quadrant, CDBG project funds may be an appropriate source to provide public improvements to the site. Current candidates include the AKT property (which is a \$1.7 million infrastructure cost if developed), and an office or R&D park.

U.S. Economic Development Administration

Grants are available for public facilities such as water and sewer systems, access roads to industrial areas, and site improvements for industrial parks through the EDA Public Works and Development Facilities Program. EDA funding has diminished substantially in recent years and as a result both the minimum criteria and competition have become more severe. In order to qualify, a project must fulfill a pressing need of the area and: 1) stimulate long-term employment, 2) benefit the long-term unemployed or 3) improve the opportunities for the successful establishment or expansion of industrial or commercial facilities. EDA establishes priority areas to be served each year based on distress factors such as a long term unemployed, significant business closures, etc.

Generally, at least two businesses must be committed to the project, with a specific number of jobs created/retained. The ratio of jobs to EDA dollars is one job for every \$10,000 in funds and there is a limit of \$1 million for each project. However, the EDA commitment may be no greater than 50% of the project cost, which means not only that the local business or community must match 50 percent, but also that these funds are best suited to relatively large projects. CDBG and business funds can be used

as local match, as well as general fund monies.

The applicant project must be included in the Overall Economic Development Plan (OEDP) of the designated region, which Dixon's case would be Solano County. Use of these funds would require some time and effort from the City to establish an identifiable project priority within the OEDP.

Rural Development, US Department of Agriculture

Industrial park development is an eligible activity within the Community Facilities Loan Program of USDA Rural Development. Other activities include community facilities for health care, public safety, and public services. Examples of projects include: clinics, ambulatory care centers, hospitals, medical and educational telecommunications links, public safety communications centers, police and fire stations, fire trucks, rescue vehicles, and jails. Priority is given to health and safety projects, in areas of high poverty.

Communities up 50,000 in population are eligible to apply, and the applicant may be a municipality, county or non-profit organization. The program issues direct loans or loan guarantees. The maximum term for all loans is 40 years, and the interest rate for direct loans is based on current market yield for municipal obligations. Currently the rate is 4.5-5.5 %. The interest rate on guaranteed loans is decided by the direct lender. Security must be pledged by the borrower, such as taxes, assessments, or revenues. There are no loan limits; the loan amount is guided by the specifics of the project. While there is no job creation requirements, information of the number of jobs to be created will assist the application. Proof of an intended business user is required.

Unfortunately for Dixon, the priorities in this program are heavily oriented to health and safety concerns, and industrial park loan funds, while eligible, may not comprise a competitive application. Funds in this program are regularly depleted with many more applications received than can be funded. However, it may be useful to meet with the USDA program staff to review a potential application to assist with industrial or office development in Dixon.

Rural Economic Development Infrastructure Program (Redip)

The REDIP Program was established in 1968 to provide low-cost financing for the construction,

improvement or expansion or expansion of public infrastructure necessary to create or retain permanent, private sector jobs through the retention, expansion and attraction of business in rural areas.

Eligible projects include publicly owned infrastructure required for the construction or improvement or expansion of a private development, including the construction, rehabilitation, alteration, expansion or improvement, including but not limited to, the following:

- Sewer and water facilities (including expansion of central plant capacity)
- Street storm drains, bridges, railroad spurs, utility connections
- Wastewater treatment plants, and collection lines
- Roads, street, highways, and related improvements (e.g. curbs, gutters, sidewalks) and other public facilities or infrastructure improvements necessary for industrial or commercial activity.

The project must be associated with the construction, improvement or expansion of a private company which requires the infrastructure in order to create or retain employment. A minimum of one job should be created/retained for every \$50,000 in REDIP loan funds. The private development must provide a binding commitment letter as part of the application process. In some cases, an industrial park, incubator or other areas providing a unique development may eligible.

Typical loan terms are as follows:

- Amount: 1 million maximum
- Term: 20 years
- Rate: Equivalent to the True Interest Cost (TIC) of the most recent issuance of State of California General Obligation bonds. (e.g.; the TIC of the G.O. bonds issued on April 21, 1998 was 5.05%).

The following are acceptable sources of loan repayment:

- Enterprise Funds.
- Leases provided the borrower has one or more lease transactions with a rating of "A-" or better by Standard & Poor's Rating Services and/ or "A3" or better from Moody's Investors Service.
- Tax increment Funds.

The program has a two step application process: Pre-application and an application. Upon determination of the project eligibility, the borrower is invited to submit an application.

California Infrastructure and Economic Development Bank

The California Infrastructure and Economic Development Bank (the “Bank”) was established in 1994 by Assembly Bill 1495 (Peace) and Senate Bill 101 (Bergeson) to assist local governments in developing the infrastructure and public improvements necessary to create jobs and attract private investment. However, since then, legislation necessary to capitalize the bank through general obligation bond measures have stalled, and the Bank is currently uncanceled. The governor is proposing \$50 million from the 1998/99 State budget to fund the program. When funded, the program will fund public improvement projects that fit in the community general plan, that are consistent with the appropriate capital improvement plan, that have acceptable financing terms, that create or maintain employment in the area, that are qualified for financial assistance (in the form of credit enhancement), that have definable economic benefits, and that have a demonstrated ability to be repaid. Eligible projects can include projects that:

- Fund public infrastructure for the retention, expansion and attraction of employers to the local community;
- Will lead directly to the creation of a significant number of permanent jobs;
- Will retain or expand the operations of a significant employer in the community;
- Will provide needed economic investment in an area of high unemployment or will provide jobs to low- and moderate-income people in high unemployment areas;
- Will have a positive impact on local agency budgets through revenues and/or cost savings, so the community may reinvest the funds;
- Will leverage other sources of financing;
- Require financial assistance from the Bank in order for the project to be completed.

9. REPORT PREPARATION

9.1 CLIENT

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Wes Ervin	Action Plan
Peter Cheng	Business Survey

APPENDIX A

BUSINESS SURVEY INSTRUMENT



Dear Business Person:

The City of Dixon is engaged in an economic development program, to assist local businesses to grow and provide quality jobs for our residents.

We would like your input for this effort and we would like to update our information about businesses in the community, in order to better serve your interests. We would appreciate your taking a moment to fill out the enclosed questionnaire to let us know about your business and your opinions about Dixon. Enclosed is a pre-stamped envelope to use in returning the questionnaire.

It is very important that everyone participate in the survey, including those with small businesses in their homes. The information is intended to help the City plan for business needs, in the future, and it will be kept **STRICTLY CONFIDENTIAL**. The independent firm of Applied Development Economics will be tabulating the returns on our behalf.

Thank you for your interest in Dixon.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Erickson", written over a horizontal line.

Don Erickson
Mayor

A handwritten signature in black ink, appearing to read "Doug Svensson", written over a horizontal line.

Doug Svensson
Applied Development Economics

City of Dixon

600 East A Street • Dixon, California • 95620-3697
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DIXON BUSINESSES**Questionnaire**

City of Dixon/Applied Development Economics
 2029 University Avenue, Berkeley, CA 94704 (510)548-5912

1. BUSINESS NAME _____ 2. DATE _____

3. COMPLETED BY _____ 4. TITLE _____

5. BUSINESS ADDRESS _____ 6. PHONE (____) _____

(Street address, city, state, zip)

7. NUMBER OF YEARS IN BUSINESS _____ 8. YEARS IN DIXON (if different than 7) _____

BUSINESS

9. Type of business: (Check one of the following that best describes your firm)

Construction ____₁ Manufacturing ____₂ Transportation ____₃ Wholesale/Distribution ____₄
 Retail ____₅ Finance/Ins/Real Estate ____₆ Service ____₇ Other ____₈

10. Principal product line or service provided: _____ []

11. Type of Organization: Sole Proprietor ____₁ Partnership ____₂ Franchise ____₃
 Division ____₄ Corporation ____₅ Subsidiary ____₆

12. If subsidiary or division, where is headquarters? _____

13. What percent of your product/services is exported to other countries? _____%

14. Do you perceive your industry to be: In growth period ____₁ Stable ____₂ In recession/downturn ____₃

EMPLOYEES

15. Number of employees at this location: Full time ____₁ Part time ____₂

16. Current employment status (please check): Hiring ____₁ Stable ____₂ Laying Off ____₃

17. Do you anticipate hiring additional employees in the next 1-3 years? Yes ____₁ No ____₂ Unsure ____₃

18. If yes, please estimate how many? Full time ____₁ Part time ____₂

19. How many of your employees live in Dixon? _____

FACILITIES AND LOCATION

20. Type (please check only one) Industrial ____₁ Office ____₂ Retail ____₃ Flexspace ____₄

21. Floor Area: Sq.ft. _____

22. Size of lot: Acres _____
23. Is your facility: Leased _____, Owned _____
24. Is your facility: Shared _____, Sole Occupant _____
25. If leased, when does lease expire? (Date: Mo/Yr) _____
26. Have you invested in equipment or capital improvements in the last 3 years? Yes _____, No _____, Unsure _____
27. If locating your business now, would you locate in Dixon? Yes _____, No _____, Unsure _____
- Why _____
- _____
-

EXPANSION/RELOCATION

28. Please indicate if you are considering an expansion or relocation:
- Expansion _____, Relocation _____, Anticipated Date _____
29. What is the primary reason for the relocation/expansion?
- Larger Facility _____, New Product Line _____, Cost Reduction _____, Moving Specific Activity _____
- Changing Labor Force _____, Other _____
-

LABOR FORCE REQUIREMENTS

30. What number of your employees are:
- Unskilled _____, Professionals _____, Skilled _____
- Supervisory/Technical _____, Clerical _____, Other _____
31. If you are expanding, what are your employee skill level needs? Skilled _____, Unskilled _____, Unsure _____
-

ADDITIONAL COMMENTS

32. Please indicate if you desire information from the City of Dixon on any of the following areas:
- City Services _____, Site Location Assistance _____, Public Safety _____, Planning Process _____
- Business Planning _____, Employee Training _____, Other _____
33. Comments. _____
- _____
- _____

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